

The new  
**Vent-Axia**  
ventilation  
unit for the home  
**150**

# FINANCIAL TIMES

PUBLISHED IN LONDON AND FRANKFURT

No. 28,178 Thursday May 29 1980

\*\*\*20p

More Than Builders  
Sites, Design, Finance, Construction  
**Hunting Gate 4444**  
(0462) 4444

CONTINENTAL SELLING PRICES: AUSTRIA Sch 16; BELGIUM Fr 28; DENMARK Kr 5.00; FRANCE Fr 4; GERMANY DM 2.0; ITALY L 700; NETHERLANDS Fl 2.0; NORWAY Kr 5.00; PORTUGAL Esc 35; SPAIN Ptas 70; SWEDEN Kr 5.00; SWITZERLAND Fr 2.0; YR 20p; MALTA 20c

## NEWS SUMMARY

### GENERAL

#### Children shot in South Africa

Two coloured schoolchildren were shot dead and three wounded by police outside Capetown as the boycott of coloured and black schools spread throughout South Africa, Quentin Peel writes.

Minister of Police, Louis le Grange, said the shootings happened after 400 youths stoned passing cars in a Cape town suburb. The children were the first to be killed in a clash with police since the start of the five-week boycott of schools in protest at their "inferior education."

The boycott has created an extremely volatile situation, according to black leaders. The deaths, the first in such a protest since the end of the black township riots of 1976 and 1977, in which more than 600 people died, are certain to be seen as a symbol of renewed confrontation with the Government.

#### Hostage 'failure'

The opening of the new Iranian parliament failed to provide the hoped-for lead to the resolution of the U.S. hostage crisis. Back page

#### Italian deaths

A Rome policeman and a prominent Italian journalist were shot dead in separate attacks in a resurgence of Italy's guerrilla warfare. Page 2

#### Bonn meeting

Italian and West German Foreign Ministers, Emilio Colombo and Hans-Dietrich Genscher, met in Bonn to prepare for today's meeting of Common Market Foreign Ministers, expected to centre on Britain's contribution to the EEC budget.

#### Martial law

South Korea's military leaders are said to be preparing to set up a junta-like "ruling council" to conduct the nation's affairs under martial law edict. Page 6

#### Mountain crash

Spanish military plane with ten aboard crashed in mountains near Las Palmas on a flight from Tenerife. Officials said there appeared to be no survivors.

#### British Rail plea

British Rail made a plea for an end to vandalism, which "could cost the lives of countless passengers," after three more trains hit objects deliberately placed across railway tracks on Tuesday night.

#### Cash for Games

Ireland's biggest trade union, the Transport and General Workers' Union, agreed to put up cash to send the country's team to the Moscow Olympics in defiance of the Irish Government.

#### Cotton ill

British Lions forward Fran Cotton suffered a mild heart attack in South Africa and may have to retire from playing Rugby. He is the seventh Lion to be seriously unfit since their arrival.

#### Search for gold

International salvage consortium is to launch an operation to try to recover the reported vast cargo of gold bullion on the British frigate *Lynx*, which sank off the Netherlands in 1799.

#### Briefly . . .

Six people, including two children, died when their vehicle set off a landslide in Namibia, South West Africa.

#### CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISERS		FALLS	
NMC	19 + 4	Bass	217 - 1
Natural Gas	118 + 10	Brent Chems	140 - 4
Westco Petroleum	453 + 35	British Home Stores	284 - 8
Albair Exploration	70 + 1	Brown and Jackson	138 - 10
Ashtree Mining	132 + 6	Caravans Int.	331 - 44
Dorminco	650 + 44	Danish Bacon A	104 - 6
Gold Fields S.A.	1351 + 21	Dunhill	308 - 10
Kaiser Gold	131 + 1	Electrocomponents	488 - 10
Leighard Explorin.	390 + 40	Elliott (B.)	243 - 7
Northern Mining	135 + 10	House of Fraser	139 - 5
North West Mining	56 + 5	Metal Box	280 - 4
Pisceson	141 + 10	Necroth and Zambra	35 - 8
RTZ	365 + 10	Pilkington	155 - 7
South African Land	294 + 16	Plassey	137 - 7
Strata Oil	32 + 6	Ranomees Sun	150 - 7
West Drie	538 + 2	Sprint Groves	84 - 111
		Time Products	641 - 24
		Turner and Newall	83 - 3
		Unitech	272 - 10
		Ultramar	342 - 8

Exchequer 91% '82 1981 - 1  
Treas 131% 2004-08

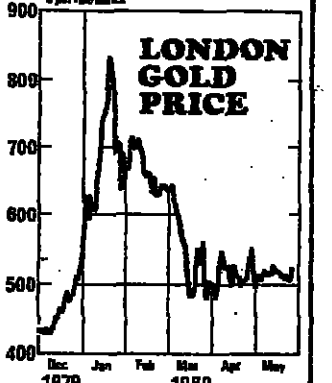
### BUSINESS

#### Gold up \$9; Equities gloomy

● **EQUITIES** were gloomy following a CBI survey of the economy. The FT 30-share index closed 3.3 down at 416.5. Page 40

● **GILTS** eased, with profit-taking aiding the downturn which left long showing falls of up to 1. The Government Securities index closed 0.36 down at 68.03. Page 40

● **GOLD** rose \$9 in London to close at \$523. Page 34



● **DOLLAR** recovered some of the ground lost earlier this week, helped partly by firmer trends in Euro-dollar rates. It closed at DM 1.7730 (DM 1.7615) and at SwFr 1.6470 (SwFr 1.6375). Its trade-weighted index rose to 84.1 (83.4). Page 34

● **STERLING** was slightly weaker overall as foreign demand fell away. It closed at \$2.3590, a fall of 1.15c. Its trade-weighted index fell to 74.6 (74.7). Page 34

● **WALL STREET** was up 0.18 at 857.84 near the close. Page 38

● **U.S. Treasury Secretary G. William Miller** said the Chrysler Corporation loan guarantee programme should be finalised within two weeks.

● **UK motor manufacturers** are threatening a confrontation with Japanese importers, while the CBI is drawing up a trade policy which is expected to accept the need for some import controls. Back page; Ford truck output cut Page 12

● **SWISS** Government is to impose a 5 per cent withholding tax on the interest on fiduciary deposits in an attempt to curb their growth. Back Page

● **WEST GERMAN** industrialists expect business to deteriorate seriously over the next six months, according to a survey by IFO of Munich. Back page

● **UNION OF Post Office Workers'** attitude to new technology could be influenced by a confidential report predicting a one-fifth reduction in the workforce as a result of technological change. Back Page

● **BRITISH** Shipbuilders is being forced to alter its policy on subsidising orders because of tough financial constraints by the Government. Page 10

● **TUC** general secretary Len Murray called for a new consensus between the Government and the unions. Page 12

● **BRITAIN** lost more than 8.2m working days through strikes in the first quarter of this year, according to Department of Employment figures. Page 12

● **CHASE MANHATTAN** Bank, one of the largest in the U.S., is to join the Visa co-operative's travellers' cheques programme. Page 36

● **ALFRED DUNHILL** reported pre-tax profits for the year to March 31 down from £10.75m to £6.47m. Page 26

● **BASS** reported a £5.8m rise to £50.1m in pre-tax profits for the 28 weeks to April 12. Page 27 and Lex, Back Page

## BNOC puts \$2 a barrel on all its North Sea crude

BY RAY DAFTER, ENERGY EDITOR

Motorists and buyers of heating oil face a new round of price increases as a result of the British National Oil Corporation's decision yesterday to raise North Sea crude oil prices by \$2 a barrel.

Other offshore producers are expected to follow suit in a move that is likely to raise petrol prices by at least another 2p a gallon.

BNOC told customers that it was putting \$2 a barrel on the prices of all crudes, to keep pace with recent price increases by other producing countries. As a result, the market value of Forties Field oil, one of the North Sea "marker" crudes, is raised to \$36.25.

That is \$8.25 a barrel more than Saudi Arabia charges for its light "market" oil but less than the effective selling prices of light African crudes, with which North Sea oil is usually equated. Nigeria's Bonny Light crude, for instance, costs \$36.71.

BNOC and Government officials were emphasising yesterday that the UK was following the latest wave of price increases, which began in May 14 when Saudi Arabia announced that it was adding 2 a barrel to its prices, from April 1.

Customers of BNOC, the main trader of North Sea oil, were told that the UK price increases would be backdated to May 20.

Refiners said that they would consider product prices in the light of increasing costs of crude oil from the North Sea and elsewhere. In the past few days, several companies, including Shell, Esso, British Petroleum and Texaco have added between 2p and 3p a gallon to pump prices of the petrol.

Those increases did not take account of the latest North Sea rises, or, in some cases, the most recent price adjustments of other crude oil producers. Fossilstar petrol usually costs between £1.34 and £1.36 a gallon.

Oil companies are trying to assess the effect of higher prices on petrol demand. Latest Energy Department figures show that petrol deliveries in the first three months of this year were up by more than 8 per cent on the same period last year. That indicates that big price increases this year did not impinge heavily on motoring habits.

Companies are concerned, however, about their ability to recover costs in the industrial and commercial sectors, where demand for fuel oil and gas oil is well down on last year, a reflection of mild weather and lower economic activity.

Fuel oil demand, down 12.4 per cent during the first three months this year against the first quarter of 1979, has also suffered from a switch to coal burning in power stations.

Consequently, companies report wide price competition in fuel oil and gas oil.

Prices are normally kept a commercial secret. But, according to two fuel consulting firms, Cambridge Information and Research Services and John Hall Associates, the price of heavy fuel oil sold in bulk to leading customers varies between 39.8p a gallon and 43.3p a gallon.

Large contracts for gas oil deliveries are said to be costing between 59p and 65p a gallon. Those prices are about double market levels in late 1978 and early 1979.

Although price increases for petrol and other oil products will aggravate Britain's inflation, Government revenues will benefit from dearer North Sea Oil. The Treasury has estimated

Continued on Back Page

## Steel union accepts cuts of 3,600 at Llanwern

BY ALAN PIKE

THE British Steel Corporation achieved the second important breakthrough in its rationalisation programme within a fortnight yesterday. It concluded an agreement with the Iron and Steel Trades Confederation on 3,600 redundancies at Llanwern, South Wales.

The workforce will be cut from 4,900, with terms similar to those agreed this month for 6,000 redundancies at Port Talbot, the other South Wales works. Some workers, with the aid of European Coal and Steel Community funds, might receive payments of £17,000.

The rapid rundown in the South Wales steel industry has been vocally opposed by the Wales TUC, but yesterday's agreement suggests that the corporation has achieved its objective without a fight. Mr. Keith Brookman, an official of the ISTC, said that his union, the biggest in the industry, had

decided that the cuts were in the best long-term interests of Llanwern if it was to survive.

Other union leaders asserted that their negotiating position had been undermined by the decision of the Port Talbot workers to accept redundancy.

"The Corporation presented us with a copy of the Port Talbot deal. They told us flatly that if we didn't reach a similar settlement, Llanwern would be closed completely," Mr. Bill Booth, of the National Union of Blastfurnacemen, said.

Yesterday's agreement applies only to the ISTC, but other unions at the plant are expected to sign by the end of this week.

With the redundancies, designed to halve steel production in South Wales, an accomplished fact, the Wales TUC will have to concentrate its energies on fighting to attract new jobs to the affected areas. It will appeal for more aid to that end at a meeting

with Mr. Nicholas Edwards, Welsh Secretary, next week.

In London yesterday, Mr. Ian MacGregor, the Corporation's chairman-designate, said that the Corporation would be letting down its workforce and its management if it did not go for an increased share of the total available market. That is likely to be in the form of an increased emphasis on high-grade products.

Mr. MacGregor, who has this week spent two days on a fact-finding tour of Corporation plants in Wales, said: "I do not propose that BSC should take a second place to anyone."

By the time he becomes chairman in July, Mr. MacGregor should have received the first results from a study of the Corporation's operations, which he has commissioned from McKinsey and Co., the management consultants.

U.S. steel output, Page 4  
Men and Matters, Page 24

## Society savers given ultimatum

BY TIM DICKSON

BRADFORD and Bingley, Britain's eleventh largest building society with assets of almost £12bn, is to penalise customers who operate their deposits like a bank current account.

In what is believed to be an unprecedented move, the Society has told 1,500 depositors they will have to accept a much lower rate of interest - currently 7 per cent net of basic rate tax against 10.5 per cent on paid-up shares - or close their accounts.

Other societies dislike customers treating their savings as current accounts and some have put pressure on account-holders. The Bradford and Bingley andreasen their overall balance over

a given period are likely to be told they will be receiving the lower rate.

"We are looking at all transactions in these accounts over the last 12 months, and where we see a consistent pattern of activity and no growth in the balance we will act," he said.

Bradford and Bingley's new policy, which was first implemented three months ago, comes at a time when all building societies are under pressure from mounting operating costs and a consistently disappointing level of net new monthly receipts. The administrative expenses of dealing with a number of small transactions can be considerable.

Marketing: a defence of cigarette advertising 15  
Business and the courts: a restraint on arbitration appeals 22  
Lombard: save money now—pay later by Margaret van Hattem 22  
Editorial comment: Labour goes to Vembley; lack of skills 24  
Politics and Justice: when judges have to take account 32  
Survey: Montserrat 35-37

#### Contents

Dow Chemical's plans: unpopular in the battle for North Sea gas 24

Economic viewpoint: British industry on the rack 25

Italian terrorism: myths on invincibility 2

Diego Garcia: Carter to send in the marines 4

Textiles: U.S. prepares for multi-fibre conflict 7

American News 4

Appointments 4

Arts 16-20

Base Rates 23

Business Oppts. 21

Commodities 39

Compensation UK 26-29

Contracts 20

Crossword 2

Econ Indicators 9

Entertain. Guide 22

European News 2-3

European Options 34

FT Activities 40

Int. Companies 30-32-33

Jobs Column 16

Leader Page 24

Letters 22

Lex 39

Lombard 22

Marketing 25

Men & Matters 29

Money 32

Share Information 42-43

Stock Markets: 40

London 40

Wall Street 38

Subscribes 24

Technical 22

Today's Events 44

TV and Radio 22

UK News: 25

General 8-10

Labour 12

Unit Trusts 41

Weather 34

World Trade News 22

INTERIM STATEMENTS

Plasma 28

Avon Rubber 27

Phoenix Assoc. 27

ANNUAL STATEMENTS

Costs Padon 27

Health Dev. 6

Enis 28

Jackson Group 28

Water Lawsons 28

Mothercare 33

Peter Chedden 33

George Wimpey 29

## U.S. deficit fell in April

BY DAVID BUCHAN IN WASHINGTON

A DROP in oil imports was the overwhelming factor in the dramatic narrowing of the U.S. trade deficit in April - to \$1.58bn, the lowest monthly shortfall since May 1977.

The decline in the trade deficit has been steep since February this year, when it hit a record \$5.57bn. The deficit diminished to \$3.15bn in March, and the improvement continued last month.

U.S. Commerce Department officials commented yesterday that oil imports were falling for a variety of reasons. Higher OPEC prices were squeezing U.S. demand and domestic conservation measures were cutting consumption. Also, the onslaught of a recession in the economy meant that it was

operating slower and sucking in less imports.

The actual volume of oil imports in April was the smallest for four years—an average of 6.4m barrels a day, down from 7.3m barrels a day in March and 8.9m barrels a day in February.

U.S. Government economists say that just as oil imports rise disproportionately during an economic recovery, so they fall in a slump rather than the overall rate of economic decline.

The U.S. Administration forecast is for a somewhat larger trade shortfall in 1980 than the \$373bn deficit in 1979 (with insurance, and freight costs included in imports). So far the January-April deficit this year is \$1536bn, compared to \$11.1bn in the same 1979 period.

## Sterling slips back

BY DAVID MARSH

STERLING fell back yesterday to close at \$2.3590 down 1.15 cents from its five year high of \$2.3705 reached on Tuesday. The dollar also recovered slightly against other major currencies from the low levels reached on Tuesday.

The pound's decline will come as slight relief to British exporters, whose competitiveness has been hard hit by its recent climb on the foreign exchanges. But sterling is still about 10 cents higher than at the end of last month, and the Government

Money Markets, Page 34  
Economic Viewpoint, Page 25  
New moves towards import curbs, Back Page

is still making clear that it has no intention of cutting interest rates or taking other measures to curb the currency's strength.

One positive aspect of the pound's appreciation has been that it has helped restrain the rise in import prices and thus modified the recent sharp increases in the inflation rate.

However, it emerged yesterday that the effect of the currency's strength in dampening inflationary pressures has been less than might have been expected.

Sterling has risen by about 11 per cent on a trade-weighted basis during the last 12 months.

Since Britain's inflation rate is well above the international average, sterling's appreciation in real terms has been even higher. Morgan Guaranty's calculations show that the pound is more than 18 per cent higher than 12 months ago on the basis of its real effective exchange rate. This gives a broad measure of British industry's loss of international competitiveness during this time.

An 11 per cent rise in the trade weighted rate would over

Continued on Back Page

## Isle of Grain unions stay bitterly divided

BY JOHN LLOYD, LABOUR CORRESPONDENT

THE RIFT between the main protagonists in the inter-union dispute at the Isle of Grain power station remained as wide as ever last night.

Reconciliations continued on both sides and Mr. John Baldwin, general secretary of the Amalgamated Union of Engineering Workers' construction section, said that he was prepared to see his members take over work done by members of the General and Municipal Workers' Union on sites elsewhere in Britain.

secretary of the GMWU, who attended the meeting at the TUC with Mr. Frank Earl, a GMWU national officer, said afterwards that he had asked the TUC to hold fresh talks to find a solution to the dispute. Mr. Earl said that the other unions had behaved "disgracefully" in ignoring previous TUC guidelines and in taking the work previously done by the GMWU insulation engineers or ladders.

The dispute between the unions is twofold. The first part is over the high, open-ended bonuses paid to ladders, to which the other unions object. The second, more recent, quarrel is over the replacement of 27 GMWU ladders by trainees belonging to unions including the AUEW, the electrical and plumbing union, and the Transport and General Workers' Union.

The issue of the open-ended bonus paid to the GMWU insulation engineers, or ladders, which lies at the heart of the Grain dispute, is on the verge of disrupting other sites as the insulation contractors and the GMWU insist on the maintenance of their separate agreements.

It may also threaten the talks now going on between the construction contractors, clients and unions on a comprehensive national agreement, and approaching a conclusion after nearly two years.

The meeting arranged yesterday by Mr. Len Murray, TUC general secretary, to discuss the dispute, was boycotted by the AUEW and other unions, although the GMWU attended. Mr. Baldwin declined to meet the GMWU while his members were being "threatened and intimidated," and while pickets remained on the Isle of Grain.

Mr. David Bassett, general

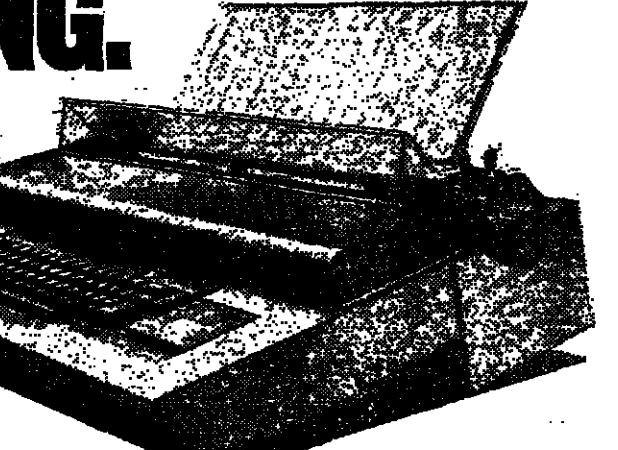
Union. The dispute threatens to spread, because the Thermal Insulation Contractors' Association is at odds with the main contractors at the £500m Texaco-Gulf refinery expansion at Milford Haven, in Wales, and are likely to find the same situation repeated in other large power-plant sites.

#### \$ in New York

	May 27	Previous
spot	\$2,359.5770	\$2,354.0370
1 month	1.75-1.82	1.80-1.70
3 months	4.15-4.08	4.40-4.25
12 months	10.95-10.75	10.95-10.65

**FOR ONLY £26 PER WEEK, OLIVETTI WORD PROCESSING MAKES MOLEHILLS OUT OF MOUNTAINS OF TYPING.**

The Olivetti 401 cuts out the drudge of repetitive typing. Your work is finished faster and more accurately with every copy an immaculate top copy. Fill in the coupon and we'll move that mountain for you.



Please let me know how Olivetti word processing can increase my office efficiency for as little as £26 per week. Post to: V. Belfer, British Olivetti Limited, 30 Berkeley Square, London W1X 6AH.

NAME \_\_\_\_\_ POSITION \_\_\_\_\_  
COMPANY \_\_\_\_\_ ADDRESS \_\_\_\_\_  
TEL \_\_\_\_\_

**olivetti**

What you want from word processing you get from Olivetti.

FTWP/29/5







## Bonn resumes contacts with East Europe

BY JONATHAN CARR IN BONN

WEST GERMANY'S Ostpolitik seems to be back on the road again. Already this week Ministers from Bonn have been in East Germany, Hungary and Romania. Today, Mr. Nikolai Tikhonov, the Soviet First Deputy Premier, is in Bonn to talk about economic ties. In a little more than a month Chancellor Helmut Schmidt will be in Moscow to see President Leonid Brezhnev, and an East-West German summit meeting may follow later this year.

This does not mean that Afghanistan has been forgotten. But it does imply that the West Germans feel that, in the past few months, they have firmly demonstrated their loyalty to the Western alliance in general and to the United States in particular. On that basis, they plan to hang with tooth and nail on to their ties with Eastern Europe.

### Model ally

It is a tightrope walk for West Germany's foreign policy-makers which has been familiar for at least the past decade, but it is now being carried out in harder circumstances. There are few doubts that a further marked deterioration in relations between the superpowers would destroy what limited room for manoeuvre Bonn already has.

Ironically, West Germany, which has been among the most pungent critics of U.S. policy on Afghanistan, has engaged in some respects as Washington's model ally in Europe.

Bonn never thought much of President Jimmy Carter's plan to punish the Soviet Union for its military intervention, feeling that the effort would fail and that there was no broader U.S. strategy to replace it. But, in the event, West German athletes are almost alone in Western Europe in following Mr. Carter's call for a boycott of the Moscow Olympics.

The West Germans are also finding that other European countries are even more hesitant than themselves about cutting deliveries of high technology goods to the Soviet Union as the U.S. desires. And when it comes to consultation among allies, the West Germans feel they can hardly be faulted here either.

Bonn sounded out other capitals before agreeing to the Soviet proposal for a meeting between Herr Schmidt and Mr. Brezhnev this summer. Also it was always made clear that, in any case, there would be no Moscow talks before Herr Schmidt had a chance to discuss strategy with his main Western partners at the Venice summit in late June.

This careful preparation is contrasted with the surprise visit by M. Valéry Giscard d'Estaing, the French President, to Warsaw last week for talks with Mr. Brezhnev. The West Germans have been more polite than most about M. Giscard's initiative. But they clearly feel the way it was carried out was anything but helpful to Western solidarity.

Bonn thus feels its alliance credentials are firmly enough underlined to permit resumption of its Eastern contact which was partly frozen immediately after the Afghanistan invasion. It is stressed that both sides have an urgent interest in seeing discussion channels kept open and that most of Moscow's allies privately deplore the Soviet intervention just as much as does the West.

Above all, it is argued, there must be continuing pressure for East-West arms control. It is felt that an early solution to the Afghanistan problem is increasingly unlikely, that an answer can only be achieved with the aid of the non-aligned countries, and that the West must increase its efforts to contain the spread of Soviet influence in the South-West Asian region.

### No illusions

In the meantime, however, the Soviet Union is increasing its arsenal of intermediate range, nuclear missiles—those which can hit most of Europe from Russian territory—and has refused NATO's demand to negotiate. One key element of Herr Schmidt's talks in Moscow will thus be to try to break the deadlock on this issue in particular.

The Government is under no illusions about the sensitivity of Herr Schmidt's mission. Despite Bonn's demonstration of alliance solidarity, it is felt that several allies will continue to



Reviving the Ostpolitik carries dangers for Herr Schmidt (left), not least from his challenger Herr Strauss (right).

fear that a special accommodation may be reached between the West Germans and the Soviet Union. It is also recognised that Moscow is trying to drive a wedge between the U.S. and the Europeans, that it has had recent cause for encouragement and that it may well exert particularly heavy pressure on Bonn.

Further, Herr Schmidt is facing a general election in October and the domestic political opposition is bound to drive home the attack if the Chancellor appears to return from Moscow empty-handed. Herr Franz Josef Strauss, the

opposition candidate for the Chancellorship, has recently repeated warnings that Herr Schmidt is steering West Germany on to a neutralist course under pressure from the left-wing of his Social Democratic party (SPD).

So far, there is little evidence that the West German public has been much influenced by these arguments. Provincial election results since the start of the double crises of Iran and Afghanistan indicate that voters feel safer with the course of Herr Schmidt than with the apparent alternatives offered by Herr Strauss.

## Swiss delay Canada N-deal further

BY BRIJ KHINDARIA IN GENEVA

THE DISPUTE between Switzerland and Canada caused by the latter's suspension of uranium deliveries three years ago has been heightened by a Swiss decision to sign no new agreement with Canada before the results of the review conference of the Nuclear Non-proliferation Treaty are known.

Swiss nuclear reactors at Goesgen and Leibstadt still await deliveries of 910 tonnes of uranium blocked by Canada. Ottawa stopped all deliveries after India exploded a nuclear device in 1974 using materials based on uranium which Canada said it had supplied.

Since then, the Canadians have insisted on stringent guarantees from all buyers to ensure that its uranium is used only for peaceful purposes. Lengthy negotiations for a new agreement between Canada and Switzerland were concluded last year, but some members of the Swiss cabinet withdrew their support citing Canadian high-handedness.

Switzerland's Energy Ministry is backing the deal, although it, too, wants to await the results of the review conference in Geneva from August 11 to September 3.

The suspension of uranium deliveries is a serious setback

for Switzerland's ambitious plans to increase its nuclear energy output. Enough uranium was obtained from other suppliers to operate the four existing plants, but four new plants are planned for the next 10 years.

A separate dispute has also emerged between Switzerland and the U.S. The U.S. is putting considerable pressure on Switzerland to prevent implementation of a recently concluded deal under which Sulzer, the Swiss machinery maker, build a heavy water plant in Argentina.

Argentina has promised to

use the heavy water for peaceful purposes and to submit to inspection by the Vienna-based International Atomic Energy Agency. But the U.S., which placed a moratorium on domestic nuclear development in 1977, is insisting that Switzerland should not export technology capable of giving any Third World country a nuclear base, even for peaceful purposes, without pre-conditions yet to be decided through international negotiation. Washington cites India as an example of a country that received nuclear technology for peaceful uses but has reached the threshold of military capability.

## Large uranium find in France

BY TERRY DODSWORTH IN PARIS

FRANCE'S ABILITY to draw on domestically minded uranium for its ambitious nuclear power programme has been substantially improved by the discovery of a 20,000 tonne mineral deposit in the West of the country near Bordeaux.

The find, made by Cogema,

an affiliate of the French Atomic Energy Commission, is currently spending between FF120m (£12.3m) and FF140m a year on exploration work in France as part of the Government plan to step up the supply of domestically produced energy.

Last year the company produced 2,200 tonnes of the metal in France, with the bulk of France's imported uranium coming from Niger and Gabon.

While the newly discovered deposit is of fairly low-grade

ore, Cogema believes that it should pose no problems to mine. Work is still continuing, however, on further testing of the reserves.

Cogema is now diversifying its sources of uranium to include mines in both Canada and the U.S. with the aim of building up to a production of about 10,000 tonnes a year. The company would thus be in a position to furnish all the needs of the French nuclear power stations, which should be producing 50 per cent of the country's electricity by 1985.

## Sick Sakharov refuses doctor

PARIS — Despite a worsening heart condition, Dr. Andrei Sakharov, the Soviet dissident, is refusing to see a doctor in protest against Government restrictions on his movements, his mother-in-law said yesterday.

Mrs. Ruth Bonner, 80, told a news conference that Dr. Sakharov, now in internal exile in Gorky, was living in intolerable conditions.

The Nobel Peace prize-winning physicist was stripped of state honours last January and confined to Gorky, 250 miles east of Moscow.

Reuter

# 6 VITALLY IMPORTANT REASONS TO MAKE DELTA YOUR AIRLINE TO ATLANTA

**1.** Delta's the only airline with daily nonstops between London and Atlanta, Georgia—leave any mid-day. You fly aboard the Dash 500 model of Delta's Wide-Ride Lockheed L-1011 TriStar, powered by Rolls Royce engines.

**2.** Delta gives you the only one-airline service to 50 U.S. cities beyond Atlanta. That's more connections than you can get on any other transatlantic airline from any U.S. gateway.

**3.** You fly Delta to America's most convenient gateway. If you're not stopping over in Atlanta, Delta gets you straight through. Customs is right at the Delta gate. You don't have to walk to another terminal. Or carry your luggage. Simply check through Customs, return your bags to Delta and step aboard your next Delta flight.

**4.** Enjoy the kind of service that's won the top Egon Ronay rating. Egon Ronay's Lucas Guide 1980 rates Delta No. 1 between the U.K. and the U.S. Higher than any other transatlantic airline. You get this outstanding service on Delta from Frankfurt as well as London. In addition to superb international dining, you can enjoy current-release films and seven-channel stereo at every seat. (In

Economy Class, there's a modest charge for drinks and headsets.) You also have duty-free shopping.

For luxury at a saving, fly Medallion Service Class. It's Delta's special business class. A quiet atmosphere in which you can work or just relax. Your beverage list includes cocktails, fine wines and liqueurs. You get an increased baggage allowance, too. All at no extra charge.

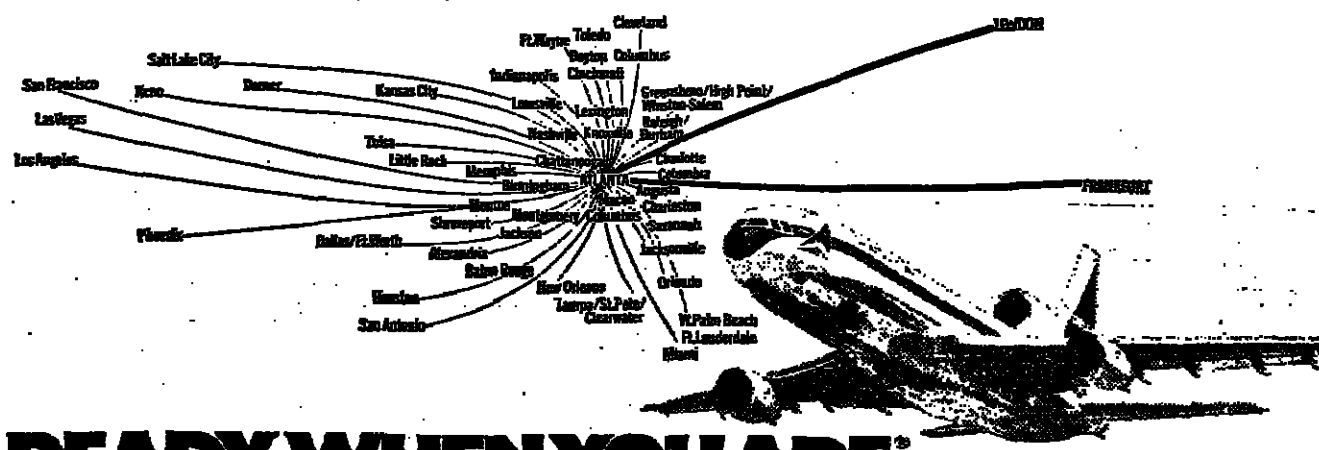
**5.** Delta gives you a wide choice of low fares. The APEX return fare from London is \$286.50. Medallion Service Class is \$300.50 single. First Class single is \$393.00. And ask about Delta's special discount fares to help you see more of the U.S. for less. Delta's Skypass® includes 80 Delta cities in the continental U.S. plus San Juan, Puerto Rico, for \$121. The Visit-USA Fare covers 80 continental Delta cities at 40% off regular Day Economy. The Unlimited Travel Fare, for 7 to 21 days, is only \$425 (U.S.) for each of two travelling together. Check for seat availability and other qualifications on these discount fares.

They apply only to flights in the U.S., not to international flights from city of origin.

**6.** Delta's the largest airline in the Western World serving London. Delta carried over 40,000,000 passengers last year, more than any other Western World airline flying out of London. The 200-jet Delta fleet flies to over 90 cities in the U.S. and abroad. 35,000 men and women run the airline—"the Delta professionals."

Now that you know the facts, make Delta your airline to the U.S.A. For information and reservations, call your Travel Agent. Or call Delta in London on (01) 668-0935, Telex 87480. Delta Ticket Office is at 140 Regent Street, London W1B 6AT. **DELTA** The airline run by professionals.

\*All fares listed are for Peak Season. Although Peak Season applies June 15 until October 19, 1980 fares may vary depending on departure date, so check for details. Schedules and fares are subject to change without notice. Fares may vary due to currency rate of exchange.



Delta also flies a Wide-Ride Lockheed L-1011 TriStar nonstop every day from Frankfurt to Atlanta.

**DELTA IS READY WHEN YOU ARE**

## INTERNATIONAL BANK FUNDING SEMINAR

LONDON - PICCADILLY HOTEL

June 19 and 20, 1980

Organised by

**INSIG**

INSTITUT DE RECHERCHE  
INTERBANCAIRE - FRANCE

with the collaboration of the

## BANK ADMINISTRATION INSTITUTE

CHICAGO - U.S.A.

Send further information on the  
**INTERNATIONAL BANK FUNDING SEMINAR**  
LONDON - 1980

Name \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

Tel \_\_\_\_\_

For further information  
and registration:

**INSIG**

5, Rue Quentin-Bauchart  
75008 Paris

Tel: 720 4597-723 94 95



## AMERICAN NEWS

## Oman initials military collaboration pact with Washington

BY RICHARD JOHNS, MIDDLE EAST EDITOR

THE SULTANATE of Oman has initiated a far-reaching agreement with the U.S. on military and economic collaboration as part of Washington's strategic response to the Soviet invasion of Afghanistan.

This was revealed in London yesterday by Mr. Qais Abdul Monem al Zawawi, the Sultanate's Minister of State for Foreign Affairs. The deal would give the U.S. the use of Oman's military facilities in an emergency, though only after consultation and agreement, he stressed.

Mr. Zawawi acknowledged that Oman had allowed U.S. aircraft to refuel at one of its airfields during last month's abortive mission to rescue the diplomatic hostages held in Tehran.

There was nothing unusual in the Sultanate giving such permission of a kind that would be accorded to the RAF, he requested, he said.

The U.S. plans a chain of facilities along the north west shore of the Indian Ocean. Negotiations for facilities in Kenya are well advanced but those for the use of the

former Soviet facility at Berbera in Somalia are bogged down.

Mr. Zawawi yesterday held talks with Lord Carrington, British Foreign Secretary, and today will see Mr. Francis Pym, the Defence Secretary. The main topic scheduled for his discussions with Mr. Pym will be the availability and the cost of British service personnel seconded to the Sultan's armed forces.

It was stressed in Whitehall yesterday that no military shopping list had been presented. However, following

the Soviet invasion of Afghanistan, Oman let it be known that it wanted new equipment to provide for its own security and the safety of oil traffic from the Gulf through the Straits of Hormuz, including mine-sweepers and advanced radar equipment.

If the agreement with the U.S. — described by Mr. Zawawi as a "comprehensive package" — materialises, it seems that the bulk of Oman's military requirements will be met by American supplies under Washing-

ton's established aid programme.

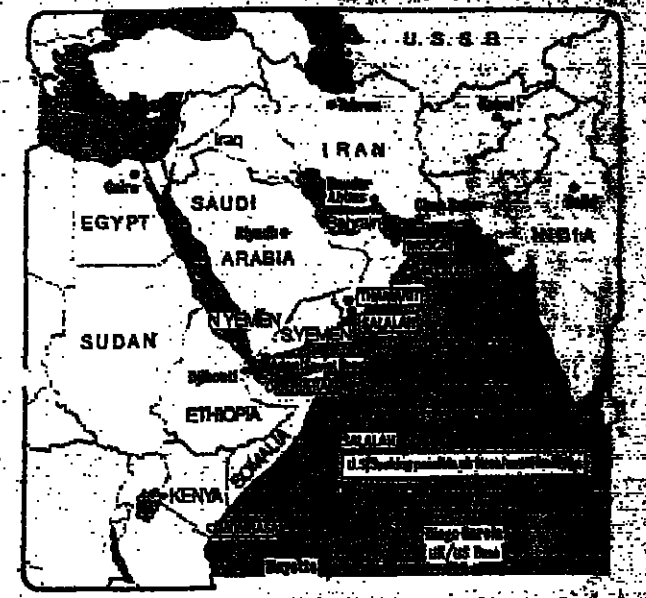
The Oman Minister of State emphasised that there was no question of U.S. troops being stationed in the Sultanate. Some, however, would be needed for training purposes.

The agreement envisaged extends also to assistance with Oman's development programme, including the involvement of the U.S. Corps of Engineers, who for many years have fulfilled an important role in Saudi Arabia. Mr. Zawawi also mentioned

agriculture and fisheries as an area for collaboration.

While paying tribute to Saudi Arabia's aid for infrastructure development, Mr. Zawawi expressed disappointment at its lack of response to Oman's requests for assistance with buying new military equipment.

Oman, he said, was committed to building up its own defence potential despite the reluctance of other Arab states of the Gulf to join in a collective security arrangement.



## Forces build-up accelerates in the Indian Ocean's 'zone of peace'

BY DAVID TONGE

NEXT WEEK a group of American marines is to storm the beaches of Diego Garcia — in swimming trunks. They will be on the remote British island in the Indian Ocean for "rest and recreation," but they will find the island a hive of construction activity.

The runway has recently been extended from 8,000 to 12,000 feet, allowing it to take lightly-equipped B-52 strategic bombers. Improved parking and taxiways for aircraft are being built on the previously uninhabited coral atoll. The fuel storage facilities, which could hold 640,000 barrels of fuel, are being developed.

Causeways and small piers are being built out into the deepened lagoon and the water supply is being built up. There is also to be housing for naval support personnel, though, the U.S. Defence Department in-

sists, there are no plans to post U.S. Marines to the island.

Diego Garcia is to be one of the key supports for the "rapid deployment force" which the U.S. is building up to deal with its weaknesses in the whole Gulf area. The current U.S. plan is to be able to "surge" marines into the area from outside, making use of bases round the Indian Ocean and of ships prepositioned in the area and carrying the heavy equipment needed by the marines.

The hope is that this plan will enable the U.S. to minimise the disadvantages of geography: at present it needs one week to move a light brigade into the Gulf, but the Soviet Union could fly a full combat division there in 12 hours.

But the fear is that the Indian Ocean is now becoming a cockpit of confrontation between the U.S. and the Soviet

Union. Mrs. Indira Gandhi, the Indian Prime Minister, for instance, recently voiced her intense anxiety at this buildup. She was particularly critical of what America and Britain are doing on Diego Garcia. But the fear is more general, with the Gulf States in particular concerned about what the West might do over Iran.

One concern is over a further possible U.S. bid to free the hostages. But there is also the fact that Western trade sanctions against Iran could need enforcing by military means. This raises the spectre of what could happen if the Warsaw Pact demands the right to ship goods to Iran's Gulf ports.

The Indian Ocean was once declared "a zone of peace" by the United Nations, and only three years ago President Jimmy Carter was advocating its "complete demilitarisation."

Even two years ago Moscow and Washington were holding talks to stop an arms race in the area.

Today, such efforts seem to belong to the world of fantasy. Twenty-one U.S. fighting ships, including two aircraft-carrier task forces, and six American support ships, face 12 Soviet fighting ships and 15 support ships. The U.S. has also deployed 1,800 marines to the Ocean — units of which are to be on Diego Garcia next week — while the Soviet Union has sent in 400 "naval infantrymen."

Until the late 1960s the West had the ocean to itself, but since 1970 Soviet warships have put in more time there than those of the U.S.

The U.S. fleet's main purpose was to show the flag as part of its global projection of power. The U.S. had also discreetly

deployed nuclear submarines, according to official testimony to the U.S. Congress.

The U.S. has traditionally operated alone in the area, but has recently been trying to encourage Western countries to play a more active role east of Suez.

France has long had the largest permanent Indian Ocean naval force of any Western nation, with 15 ships at present in the area and 5,000 troops in Djibouti. But it has shown no willingness to co-operate with the Americans in the area.

The Soviet Indian Ocean presence dates back to 1968, and follows the development in Moscow of a more positive approach to Third World nationalism. The aim of the presence has been mainly political, with the primary purpose to show the littoral states that the U.S. is no

longer unchallenged as the world policeman.

The Soviet Union's main bases are in Aden, which were visited last August by an Echo Class II nuclear submarine, the main Soviet weapon counter to U.S. aircraft carriers. Aden was also used by Ilushin 38 bombers for their flights over the U.S. fleet in the Gulf. The Soviet fleet has also been able to call at Mozambique.

The U.S. has naval facilities in Bahrain, but has lost potential support facilities at Bandar Abbas and Chah Bahar in Iran. It also has to consider possible harassment from the Iranian Navy, however far below full efficiency are Tehran's three destroyers and eight corvettes and frigates.

It is thus relying heavily on back up from Oman, Kenya and Somalia. A deal with the Omanis has now been initiated,

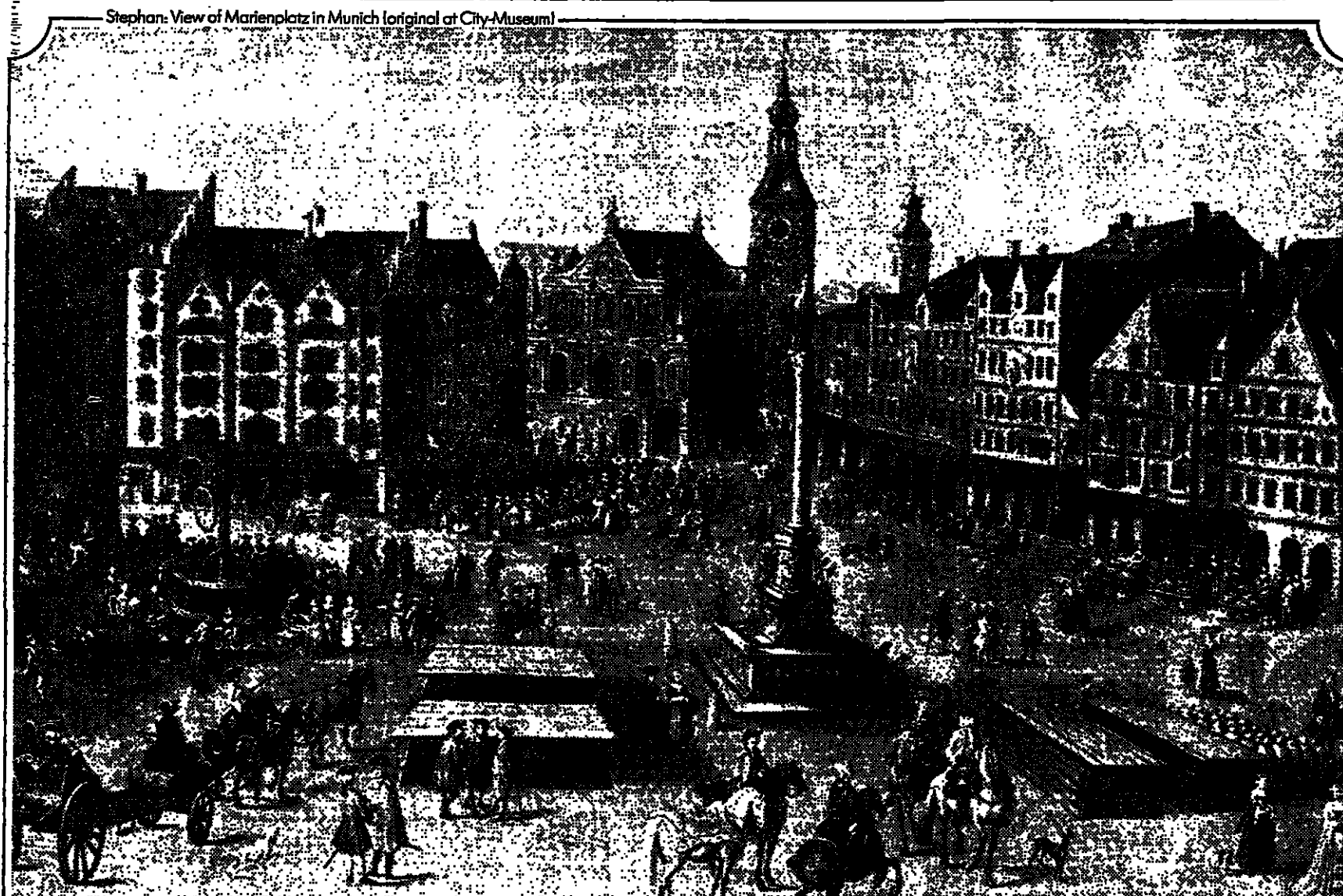
while talks with Kenya are well advanced. But those with Somalia have proved more acrimonious. The Somali have been asking for U.S. military aid and weapons which could be used in their conflict with the Ethiopians — a possible confrontation by proxy with Moscow into which the U.S. does not wish to be drawn.

These bases are considered the best of the four-based options available. The U.S. is unwilling to build up a presence in Egypt, fearing that it would further isolate President Sadat and undermine the chance of wider acceptance of the Camp David process, according to U.S. officials.

However, the bases in Kenya, Oman and Somalia will need \$250m spent on them to bring them up to a full state of readiness. Five rehabilitated transport

ships are now being readied to take on board the tanks, armoured personnel carriers, trucks and ammunition which a marine amphibious brigade would need. But they are not due to set sail for the Indian Ocean until July or August. As for the 14 new maritime pre-positioning ships and the CX airlifter which the U.S. military wants, these still have to be constructed.

In 1975 it was not the West but the Soviets who said that détente required that "freedom of shipping should be guaranteed in the Persian Gulf and the Straits of Hormuz." More recently President Brezhnev has revived Soviet demands for an all-European conference on energy which would consider access to supplies, but even in the heyday of détente the West resisted this proposal.



It's not just what you know about a market — it's who you know, too.

In Munich, traditionally a thriving trade centre, we have a rapidly expanding foreign trade banking business. And we are well placed to help you.

We are one of the largest universal banks in West Germany, with a balance sheet total of close to DM 75 billion.

Broadly speaking, we are flexible, friendly and client-oriented — and we know our market from the ground up. This professional experience guarantees you the best possible service and advice.

Our full range of modern services includes:

- Professional documentation and rapid payment transfers (S.W.I.F.T.)
- Export-import financing packages
- Client-orientated foreign exchange operations
- Advice on seeking new trading partners

• Easy access to foreign markets through our international presence and broad connections.

We couple people-to-people banking with a historically sound business mentality and in-depth knowledge of our market, making us an ideal partner for foreign trade banking. Munich, our headquarters, is the home of some of the most successful international companies. It has always been a traditional centre for East/West trade and the base for close business links with the North and the South of Europe.

Get in touch. And put "Bavarian drive and friendliness" to work for you.



Bayerische Landesbank Girozentrale  
Brienner Strasse 20  
8000 München 2, Tel: 21711  
Telex: Foreign Dept. 52862-70  
Cables: Bayernbank Munich  
S.W.I.F.T. Address: BYLADEM



**Bayerische Landesbank**  
Girozentrale  
International Banking with Bavarian Drive and Friendliness

Central Office: Brienner Strasse 20, 8000 München 2, Tel: (09) 2171-1. Branch: London, Tel: 6386711. Subsidiary: Bayerische Landesbank International S.A., Luxembourg, Tel: 4759114. Representative Offices: Toronto, Tel: 862-8840; Vienna, Tel: 663147; 663161; Johannesburg, Tel: 8381613; New York, Tel: 888-0670 (9). Affiliates: Deutsch-Skandinavische Bank AG, Frankfurt, Tel: 20471; Asien-Pazifik-Bank AG, Hamburg, Tel: 322691; Asien-Pazifik-Merchants Finance Limited, Hong Kong, Tel: 5-283241.

## President wants budget changes

BY DAVID BUCHAN IN WASHINGTON

PRESIDENT CARTER is asking Congress to defeat a lengthy negotiated resolution for a balanced Budget in 1980-81, because it provides too much for defence and not enough on social programmes to cushion the impact of the U.S. economic recession.

The makings of a revolt against the 1980-81 Budget package, have already appeared among liberal Democrats in the House of Representatives. It is thought that President Carter is now anxious to woo this segment of his party, lest it be tempted to succumb to the attractions of Mr. John Anderson, who is gearing up an independent run for the Presidency this autumn.

Senior White House officials say there is no quarrel with the size of the \$613.3bn Budget resolution, which meets the Administration criterion of being in surplus.

Instead, the Administration

is taking the unusual step of opposing the Budget resolution, already agreed between Senate and House negotiators, because it provides \$153.7bn in military spending next year — \$3.2bn more than the President wants — and, as Mr. Carter publicly complained this week, cuts "those very things that would prevent recession getting out of hand."

The need to guard his flank against an Anderson Presidential bid is by no means the only pressure on Mr. Carter to placate liberal Democrats. The slump in the car and housing industries, accompanied by a general rise in unemployment, will inevitably be at least partially blamed on the incumbent President — as well as creating a large Budget deficit, unless military spending is tightly controlled.

Nor can Mr. Carter ignore the social tensions aggravated when recession is added to the

normal employment problems of the black community, and fears that these may erupt, as in Miami last week.

The White House contends that Senate and House Budget negotiators have, at present short-changed income security programmes, such as unemployment insurance, pensions and food stamps, by \$70bn next year.

Public sector jobs and job training, in which black leaders have demanded an increase in the aftermath of the Miami riots, have been given \$1.1bn less than the Administration asked for.

The real battle for the Administration will come in the Senate, where sentiment is most in favour of higher military spending, and where Senate Ernest Hollings, a defence-minded Southerner, has replaced Mr. Edmund Muskie as chairman of the Budget Committee.

## FTC bureau chief 'to resign'

BY DAVID LASCELLES IN NEW YORK

THE HEAD of the Federal Trade Commission's bureau of competition has announced his intention to resign. His resignation will be a further setback for the already demoralised agency.

Mr. Al Dougherty, one of the U.S. leading anti-trust movers, says he will leave the commission at the end of next month.

In a resignation letter reflecting the FTC's depressed mood since public opinion turned against its efforts to regulate trade, Mr. Dougherty talks of

the "calamitous caution" which now prevents the FTC from fulfilling its goals.

This was having "a deleterious effect on morale," making it increasingly difficult for the agency to function, he said.

In his reply, Mr. Michael Pertschuk, FTC chairman, said: "We shared a bold vision," but the agency had been "buffeted by an environment more hostile than we had anticipated" and this had forced it to recede its sails.

## U.S. steel output at 5-year low

By Ian Hargreaves in New York

STEEL PRODUCTION in the U.S. slumped to its lowest weekly level for five years last week, prompting another round of lay-offs and revision of forecasts in the industry.

U.S. Steel, the largest company, yesterday announced that it would lay off another 2,000 workers at a Pittsburgh steel works, closing a blast furnace and two basic oxygen steel-making furnaces.

The United Steelworkers Union said it believed layoffs were now approaching 30,000 in the industry and getting worse. U.S. Steel alone has laid off 17,000 of just over 100,000 hourly paid steelworkers, and says the number will shortly exceed 20,000.

The pace of decline in industry activity is illustrated in the statistics on raw steel output. In the last full week of April, the industry was still operating at 82 per cent of capacity, according to American Iron and Steel Institute figures. Last week, the rate fell to 67 per cent, down from 72 per cent in the previous week.

Raw steel output for the year to date is estimated at 50.5m tons, down just over 10 per cent from the same period of last year.

Despite this sharp drop in output, however, the industry is still not expecting the recession to be as severe as that which occurred in 1974-75.

## New primary wins tighter Carter's nomination grip

BY OUR WASHINGTON CORRESPONDENT

PRESIDENT CARTER has his party's nomination in the palm of his hand and on Tuesday tightened his grip on it as he swept four more primary elections against Senator Edward Kennedy, who will try one last fling against the White House incumbent on June 3.

Mr. Jody Powell, White House Press Secretary, said yesterday that the wins in Arkansas, Kentucky, Idaho and Nevada put Mr. Carter "within a handful of delegates" of the 1,860 simple majority needed for nomination at this August's Democratic Party convention.

Senator Kennedy pronounced himself undismayed at the latest series of blows to his campaign, and freely admitted that he has staked his all on turning the tables on June 3. This last round of primaries — the "cup final" of the political

season — includes contests in the big states of California, New Jersey and Ohio.

The Senator cannot conceivably hope to stop President Carter, gaining enough delegates next week to secure the magic 1,660 majority.

Mr. Ronald Reagan, now standing triumphant in an empty Republican Presidential race that has now become more of a walk-over. He won three primaries on Tuesday — Arkansas, Kentucky and Nevada — and has now won more than 80 per cent of the vote in Kentucky, Idaho and Nevada.

He already had a majority (998) of delegates before these contests, and it was that fact that led his last remaining challenger, Mr. George Bush, to drop out of the race on Monday.

**MEXICO**  
LONDON, 4th JUNE 1980  
(CBI Tottill Street)  
**BIRMINGHAM, 5th JUNE 1980**  
(Penna Hall Hotel, Sutton, Goldfield)  
These major full-day conferences will feature:

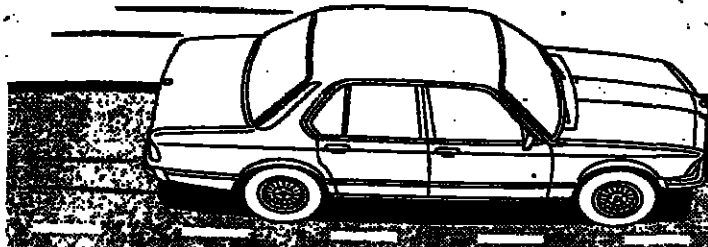
- Dr. Nathan Waiman, Mexican Under-Secretary for Industrial Development
- National Financiers SA
- Confederation of Industrial Chambers (CONCAMIN)
- British Chamber of Commerce in Mexico

To reserve a place at either London or Birmingham conference, please contact Karen Cartle on 01-930 9711 or the CBI.

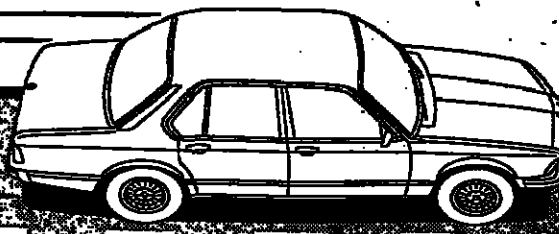


1

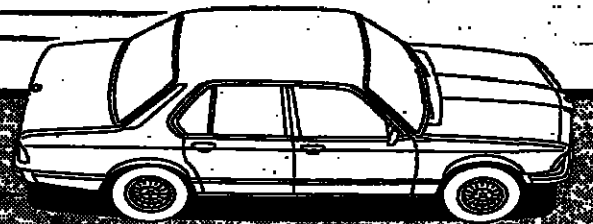
70 mph. It's using petrol.



70 mph. Now it's not.

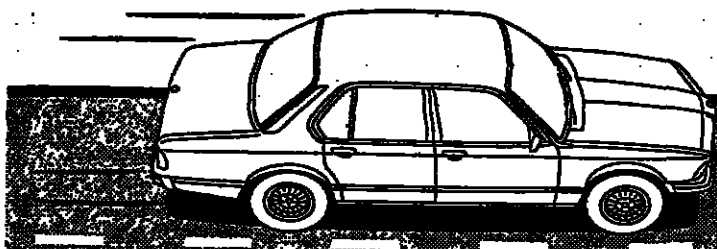


70 mph. Now it is again.

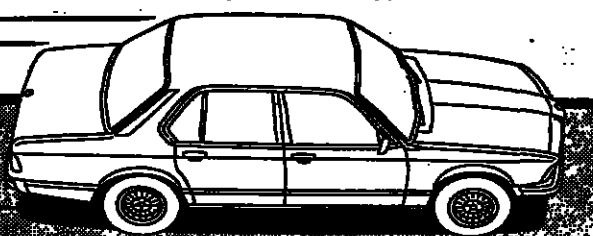


2

The engine has been tuned 100 times between A and B.

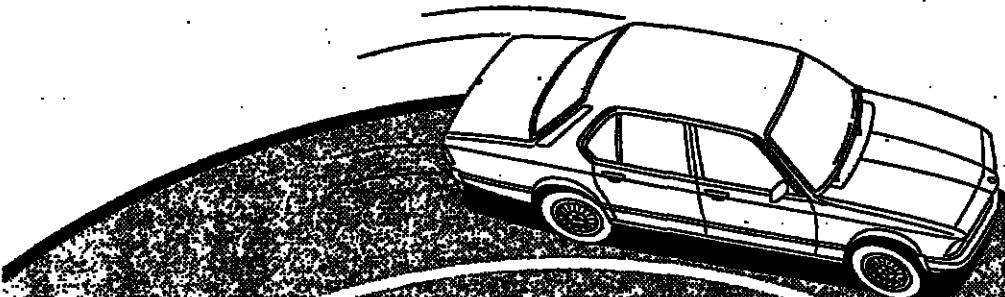


A



B

Wight Collins Rutherford Scott



3

At 70 mph you can jam your foot on the brakes and still safely steer round an emergency.

It is usual for cars to go on using petrol when they slow down.

The electronic car doesn't.

Take your foot off the accelerator of any of the BMW 7 Series, even at 70 mph, and you cut off the supply of petrol to the engine.

It is usual for cars to be tuned every 10,000 miles.

The electronic car isn't.

The 732i's computer tunes the engine up to 100 times every second. The car never wastes petrol, it's easier to start and always runs smoothly.

It is usual for cars to skid if you brake hard in a tight corner.

The electronic car doesn't.

With the optional ABS anti-lock computer, available in the 7 Series you can jam your foot on the brake and still steer safely—and it stops you up to 40%

sooner, even on icy roads.

There is nothing 'usual' about the BMW 7 Series. And the electronic innovations don't stop there.

**4** All three cars in the 7 Series range have electronic fuel injection, as well. This cuts fuel consumption by 7% to 8% compared to an equally powerful carburettor engine.

Or, for the 10,000-miles-a-year driver, it's like going 700 miles without having to pay for any petrol.

**5** Both the 732i and the 735i have the Electronic Check control.

Just press the button before you drive off and seven key functions of the car are electronically checked.

**6** There's a new electro-pneumatic heating and ventilation system on all the 7 Series.

Just press a button and the system adjusts to your wishes.

(There's even a special anti-smog button to keep out the traffic fumes.)

**7** These are some of the 45 changes which have advanced the cars in the new BMW 7 Series even further.

Drive any one of them and be prepared to question all your preconceived notions about the luxury motor car.

To: Marketing Department, BMW (GB) Ltd, Ellesfield Avenue, Bracknell, Berkshire RG12 4TA.

Please send me your Electronic Information Data on the BMW 7 Series ☐ and details of the 3 Series ☐ 5 Series ☐ 6 Series ☐ PRESTON

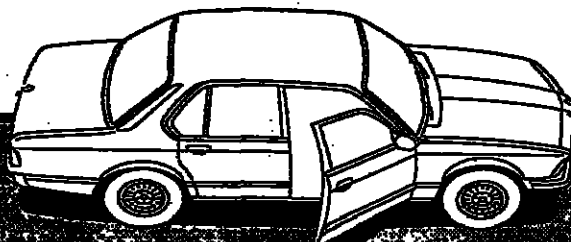
Name \_\_\_\_\_

Address \_\_\_\_\_



THE ULTIMATE DRIVING MACHINE

**YOU HAVE BEEN READING ABOUT THE WORLD'S FIRST ELECTRONIC CAR, THE BMW 7 SERIES. YOU ARE NOW INVITED TO DRIVE IT.**



THE BMW 728i COSTS £12,435. THE BMW 732i COSTS £14,325. THE BMW 735i COSTS £16,175. PRICES, CORRECT AT TIME OF GOING TO PRESS, INCLUDE CAR TAX AND VAT BUT NOT DELIVERY OR NUMBER PLATES. DUE FUEL CONSUMPTION FIGURES: 728i URBAN CYCLE 16.1mpg (0.76 l/100km), 56mph 31.7mpg (8.9 l/100km), 75mph 26.2mpg (11.2 l/100km), 732i URBAN CYCLE 15.1mpg (0.87 l/100km), 56mph 31.7mpg (8.9 l/100km), 75mph 24.6mpg (11.5 l/100km), 735i URBAN CYCLE 14.1mpg (20.1 l/100km), 56mph 32.8mpg (8.6 l/100km), 75mph 26.2mpg (10.8 l/100km). BMW (GB) LTD, ELLESFIELD AVENUE, BRACKNELL, BERKSHIRE RG12 4TA. FOR TAX FREE SALES, 56 PARK LANE, LONDON W1, CALL 01-629 9272.



## OVERSEAS NEWS

K. K. Sharma and David Dodwell examine the \$1.6bn Soviet-Indian weapons deal

## Moscow makes Delhi an offer it can't refuse

IN THE next few weeks India and the Soviet Union will complete a Rs 13bn (\$1.6bn) arms deal that has been under discussion for two years. It is part of a Rs 25bn five-year plan to modernise India's armoury through replacement of obsolete hardware and diversification of supply.

The Russian deal is the largest so far for the 1m-strong Indian army, but the air force and the navy are being equipped from elsewhere. A £1bn order with British Aerospace provides for outright purchase of 40 Jaguar aircraft and manufacture in India of 120 more. Discussions are being held with Sweden and France on submarines for the navy.

Nevertheless, the deal with the Russians has clear political ramifications at a time when India is pressing for the withdrawal of Russian troops from Afghanistan.

Diplomatic efforts to improve relations with Pakistan and China have intensified since the Soviet invasion of Afghanistan. When Mrs. Gandhi met Pakis-

tan's General Zia-ul-Haq in Salisbury during Zimbabwe's independence celebrations, both emerged claiming to have a better understanding of the other's fears and needs.

For the military government in Islamabad, which tends to see any Indian arms purchase as a threat to national security, the deal will serve as a sharp reminder of the continuing close military links between India and the Soviet Union. Pakistan has fresh memories of Indian criticism when the U.S. offered Pakistan military and economic aid worth \$500m in the wake of the Afghan invasion. India then spoke of such sales as a threat to Indian security.

But the arms deal confirms that India has little intention of taking a strong line against Moscow's occupation of Afghanistan. If India perceives the Soviet Union as a threat in the region, it also feels its own best interests are too closely interwoven with those of the Soviet Union for it to say so. Mrs. Gandhi has been more willing to condemn the U.S.

as an agent provocateur in Afghanistan. Significantly, she recently rejected U.S. proposals for a South Asia Security Plan.

Negotiations on the arms deal, like the five-year modernisation plan itself, began under the Janata Government but the deal was largely wrapped up at discussions in Moscow last week. Significantly, Mr. P. V. Narasimha Rao, the Indian External Affairs Minister, makes his first visit to Moscow next Monday.

The rate of interest to be charged on the Russian arms deal is a nominal 2.5 per cent and payment is to be made over 17 years, so that the weapons are virtually a gift. The soft terms are clearly part of the astute wooing of the Indian Government since the Afghan invasion. This is no doubt part of the high price Moscow will have to pay for Indian loyalty.

The Indians have long been interested in Russia's T-72 tank and it has been tested in the mountain, desert and plains land where the Indian army is de-

ployed. But other tanks were also being studied. The soft terms probably clinched the deal for the Soviet Union.

The T-72 is to be the Indian army's main tank and will partly replace the 900 Vijayanta tanks built in collaboration with Vickers at the Avadi factory near Madras.

Soviet AA-2 air-to-air missiles and possibly also the AA-5 for long-range interception, Peta class missile-equipped patrol boats, surface-to-surface missiles, rockets, anti-tank weapons and electronic equipment are also included.

Still under discussion with the Soviet Union is improvement of the air force's strike capability. On duty at present are MIG-21s, built under licence in India at three factories of the State-controlled Hindustan Aeronautics. An agreement to incorporate modern equipment used in the MIG 21 Bis was signed last year.

But the air force now appears to have set its sights on the MIG 25, the most sophisticated fighter in service with the Soviet

air force. So far, the Russians have refused a licence to build the aircraft in India but, in their present mood, they might change their mind.

Soviet arms are not new to India. Apart from the MIG, Russian tanks, missiles, anti-aircraft equipment, helicopters and submarines are in service with all the three wings of the armed forces. Russians have also helped to set up ordnance factories which India has commissioned in a bid to be self-sufficient in defence equipment.

It is ironic that Indian dependence on the Soviet Union in defence supplies, and the sense that it may thus be vulnerable in a crisis, first obliged the Indian Government to look elsewhere. All foreign suppliers of defence equipment must also agree to sell the technology for India to manufacture the equipment itself. The agreement with British Aerospace for the Jaguar includes this element, but the T-72 order is solely for outright purchase until India's own tank goes into production in the mid-1980s.

## Saudi move in Mideast peace talks 'unlikely'

By David Lennon in Tel Aviv

THE PROSPECTS for an active Saudi Arabian role in the Arab-Israeli peace process is viewed in Jerusalem as highly unlikely at present, despite Prime Minister Menachem Begin's invitation to Saudi Crown Prince Fahd to speak in the Knesset.

The invitation to the Saudi Deputy Prime Minister to follow in the footsteps of Egyptian President Anwar Sadat was issued following reported remarks of Prince Fahd that Saudi Arabia would be willing to encourage the Palestinians and other Arabs to make peace with Israel if it were to withdraw from the occupied Arab territories.

However, it is generally believed in Jerusalem that the invitation was issued more for its public relations impact than out of any serious belief that Prince Fahd would come. Israeli officials, experts in Saudi affairs, have been playing down the significance of the reported statement by the Prince.

This cool response appeared to have been justified yesterday when Prince Fahd said that his original remarks had been misinterpreted.

Meanwhile, Mr. Begin has warned Cabinet Ministers that the Government may fall if there is continued opposition to his proposed Cabinet reshuffle following the resignation of Defence Minister Ezer Weizman.

Despite this admonition, two of the junior coalition parties continued to balk at the proposed appointment of Mr. Yitzhak Mordechai as Foreign Minister, while Mr. Yitzhak Shamir is transferred to Defence Ministry.

## S. Korea leaders to tighten military control

SEOUL — South Korea's military leaders, in a move to tighten their nearly-total grip on power, are said to be preparing to set up a junta-like "ruling council" to conduct the nation's affairs under a continued martial law edict.

Both Koreans and diplomats in Seoul said the council would have civilian President Choi Kyu-Hah as its President but real power would be vested in Gen. Chun Duo-Hwan, the country's current military strongman, and other generals.

The national legislature, already more than two-thirds controlled by the Government and its sympathisers, would be reduced virtually to a rubber-stamp body, it was said.

To be known officially as an "advisory council" with the task of helping formulate policy in domestic and foreign affairs, the council will in fact rule South Korea through orders issued under the country's seven-month-old martial law decree.

A timetable for the change is uncertain. Originally it was to have gone into effect sometime this week.

Meanwhile, South Korean troops searched mountain areas for armed students yesterday after crushing the revolt against martial law in Kwangju.



President Choi Kyu-Hah

The martial law command said only a few militants had fled to the mountains after troops backed by tanks stormed the city on Tuesday. It did not say how many of the thousands of weapons, including automatic rifles, light machine guns and hand grenades stolen from armoured vehicles during the uprising, were still in the hands of rebels.

The command announced a 10-day grace period beginning today for fugitives to surrender themselves and their weapons. Agencies.

## OPEC agrees to \$1.6bn aid fund increase

BY JAMES SUXTON

OPEC finance ministers have agreed in Vienna to increase the capital of the OPEC Fund, which provides aid to developing countries, by 60 per cent to \$4bn.

The \$1.6bn increase was recommended at last December's OPEC ministerial meeting in Caracas but had not been accepted by the Fund members until now.

It was the oil cartel's first step to compensate poorer countries for the more than doubling of the oil price in the

past 17 months. Iran, whose revolution boosted the oil price escalation, is to make a much smaller contribution to the capital increase in comparison with the size of its contribution to the existing capital of the fund. It pleaded shortage of revenue from its diminished oil production.

The OPEC Fund, known until January this year as the OPEC Special Fund, mainly provides finance for specific development projects rather than direct balance of payments support.

## Oil companies resist price rises

BY OUR MIDDLE EAST STAFF

A FURTHER indication that oil companies are in some cases resisting very high prices being asked by OPEC members has emerged with a report that two U.S. companies have decided to stop buying oil from Qatar rather than pay nearly \$38 a barrel.

The report, by the respected Middle East Economic Survey, said that Gulf Oil and Charter Oil, which between them have been buying 45,000 barrels a day (b/d) of Qatari crude, had decided to let their contracts lapse at the end of April rather than renew them at the premium rate.

Though oil producers have generally been successful in imposing almost constantly higher prices and surcharges on their crude in the past 17 months there have been two other reported instances recently of oil companies balking at the new price levels.

One reason why they can in some cases afford to do so is that overall oil supply levels are high and industrialised countries have large stocks. Some companies find it cheaper to buy oil on the spot market than at the prices some producers are charging, depending

on their supply and demand patterns.

British Petroleum, Royal Dutch/Shell and 12 Japanese importers have been refusing to lift Iranian oil at a new \$35 a barrel price since April. Earlier this year Gulf decided not to join BP and Shell in paying a premium asked by Kuwait.

But though Gulf and Charter have refused to buy oil from Qatar at the price being asked, this year Gulf decided not to join BP and Shell in paying a premium asked by Kuwait.

## Commonwealth Development Corporation

**CDC** Another successful year, demonstrating yet again that investment in the developing countries not only brings substantial benefits to those countries but can also yield a reasonable return on the money invested.

**CDC** Record new commitments of £83 million in 1979 brought total CDC commitments to £449 million in 45 countries.

**CDC** Nearly 90% of new commitments were in the poorer countries. Some 60% went to agricultural and forestry projects; electricity and water supplies, housing and factory development, mining and industry accounted for the balance.

**CDC** The United Kingdom, as well as developing countries, benefits from CDC's overseas investments, which improve the balance of payments through an increased flow of earnings and which in many cases provide opportunities for British exporters to supply projects with capital goods and components.

**CDC** CDC investment in overseas projects is helping to produce raw materials and foodstuffs essential to maintain the economies of the industrialised countries. The developing countries are thereby assisted to earn much-needed foreign exchange, thus enabling them to purchase goods and services from the industrialised nations—evidencing the inter-dependence of nations.

1979 results	1979 £million	1978 £million
Operating surplus	31.6	26.6
Surplus before tax	12.1	10.3
Appropriation to General Reserve	5.7	6.6

CDC is an economical and cost-effective organisation which offers management for the implementation of projects as well as investment. It gives priority to projects which encourage self-reliance and which motivate people to better themselves through their own efforts. It is accountable to Parliament and subject to the discipline of the profit-and-loss account. Its main sources of finance, besides its own surpluses, are its borrowings from the

British Government. Prospects of maintaining the momentum of its operations are currently clouded by the economic circumstances of the United Kingdom and the consequent uncertainty about the level of future British Government allocations.

CDC's Annual Report and Statement of Accounts 1979 is available from Government Bookshops and HMSO Government Publications Agents, Price £3.50.



Commonwealth Development Corporation

33 HILL STREET LONDON W1A 3AR

## 18 killed in Lebanon fighting

EIGHTEEN people were killed and many more wounded in two days of fierce fighting between rival Muslim militiamen here and in southern Lebanon.

Militiamen of the Muslim Shi'ite group known as "Amal" battled with other Muslim and left-wing opponents in three suburbs of Beirut using artillery and heavy machine guns.

Fifteen persons were reported to have been killed when Amal militiamen clashed with Palestinian guerrillas and Lebanese left-wing fighters at the village of Qaqayeh in southern Lebanon.

## Togo bars Liberia leader

LOME—Liberia's new military ruler, Master Sergeant Samuel Doe flew home in anger from Togo yesterday after being barred from a meeting of the 16-nation West African Economic Community.

He was shunned in protest against the coup that brought him to power last month, in which President William Tolbert, Chairman of the Organisation of African Unity

(OAU), was killed. Sgt. Doe arrived in Lome uninvited and unannounced, and Mr. Gnassingbe Eyadema, Togo's President, was apparently angered by his combat gear and pistols.

The conference is scheduled to discuss lower tariffs between the French, English and Portuguese-speaking countries of the community and a proposed regional defence pact.

## BYBLOS ARAB FINANCING HOLDING LUXEMBOURG S.A.

R.C. Luxembourg 13258 B  
CAPITAL 20.000.000 US DOLLARS FULLY PAID

## BARAN S.A.

BYBLOS ARAB FINANCING HOLDING LUXEMBOURG S.A.

General : Phone : 511.00.00 Telex : 63461  
Fax : 513.05.83  
Telex : 62617/62618

INTERNATIONAL FINANCIAL ACTIONS

28/29 DOVER STREET  
LONDON W1X 4RH  
PHONE : 01/408.08.88 — TELEX : 8954712

STARTING SOON

## BANQUE BYBLOS FRANCE S.A.

116, AVENUE DES CHAMPS ELYSÉES  
PARIS 8e

THE ABOVE BANKING GROUP IS AFFILIATED WITH

## BYBLOS BANK S.A.L.

BYBLOS BUILDING-VERDUN STREET  
BEIRUT (LEBANON)  
P.O. BOX 11-5605

PHONE : 805.325/805.100  
TELEX : 20860 / 20415 / 20468 BYBANK LE  
CABLE ADDRESS : BYBLOSBANK



# North-South dispute looms over textile imports

BY RHYD DAVID IN BRUSSELS

A NORTH-SOUTH confrontation over textiles trade now seems a strong possibility when negotiations for a new round of the Multifibre Arrangement (MFA) begin next year.

A conference on world textiles under the MFA, organised by the International Chamber of Commerce in Brussels, this week has heard a number of hard-line statements from the industry in developed countries and from representatives of the developing world. There is now evidence of considerable discontent among the importing

nations over the way restraints have failed to bite, while among the supplying countries there is bitterness over the way in which the last MFA has been applied to them.

A large gap has surfaced between the two sides over the interpretation of what the MFA was meant to achieve. On the developing-country side it is still being insisted that the scheme was intended to provide the industrial nations with time to adjust to the continued expansion within their markets of low-cost textile supplies.

The industry from a number of developed countries represented at the conference, including the U.S., Canada, and West Germany, is challenging this view and claiming instead that the next MFA must play a stronger regulatory role, controlling developing country imports so that the domestic industry in more advanced countries can continue to share in the growth in textile demand. The current MFA expires at the end of this year.

The main area of debate at the coming negotiations seems certain to be the "reasonable

departures" secured in the last MFA round in 1977 by the EEC. This provision, which has allowed the EEC to go beyond the strict terms of the MFA and impose cutbacks on certain suppliers, was strongly attacked by Mr. Paolo Barbiel-Rosa, the Brazilian delegate to the General Agreement on Tariffs and Trade (GATT). He claimed that an essentially temporary provision designed to meet certain immediate problems in the EEC was now being treated as a permanent feature of the agreement, the use of which was open to other industrialised

countries as well, and to the interpretation they put on it. Brazil itself has come under strong attack, however, as one of a group of more advanced developing countries sheltering behind unjustifiably high tariff barriers.

Mr. Wilhelm Hardt, president of Gesamttextil, the West German textile trade association, pointed out that Brazil imposed custom duties of as much as 205 per cent on imports of fabric and garments and that permits for importation were difficult to obtain.

The main thrust of the de-

veloped countries' argument is that low-cost import penetration should now be slowed down and that the demands of new suppliers should be met by reductions from the principal exporters in the Far East. Third World representatives at the conference are arguing, however, that although import penetration in the developed countries may have grown, their share of world trade in textiles and apparel is still dominant.

Dr. S. A. Abbas, research and training co-ordinator at the UN Conference for Trade and De-

velopment (UNCTAD), told the conference that in 1977 developed countries accounted for 73 per cent of world exports of textiles and 51 per cent of clothing compared with 19 per cent and 37 per cent respectively for the developing countries.

This share of developing countries in world trade in textiles and clothing also should be set against their small share in most other manufactures. In chemicals they accounted, in 1976 for only 2 per cent, in iron and steel 2.6 per cent and in engineering 3 per cent.

## North West flights to London set for June 2

By Lynton McLain

NORTH WEST Orient Airlines will become the latest airline to operate flights between London and the U.S. when it starts its daily Boeing 747 service between Gatwick Airport and Minneapolis/St. Paul on June 2.

The airline, the second oldest in the U.S., said yesterday in London that the twin-city of Minneapolis/St. Paul gave passengers access to 13 States in the central U.S., while avoiding the busy Chicago O'Hare airport.

The city is the base for 14 of the largest corporations in the U.S., and the airline said it expected about one-fifth of its passengers to be business travellers.

Last year the airline started operations from Prestwick, Scotland and in the summer carried an average of 250 passengers a day each way.

Austrian Airlines is expected to sign a contract this week to buy two 200-seat European Airbus A-310 airliners and take an option on two more, Reuter reports from Paris.

Airbus Industrie has sold 63 Airbus A-310 aircraft on firm orders and 66 others on options. More than 30 airlines have bought 194 of the 250-seat A-300 version, with 82 on option.

## Government, industry combine to bolster U.S. position

BY RHYD DAVID

FROM ITS NEW and unaccustomed position as one of the fastest growing U.S. manufacturing sectors, the American textile industry has begun to prepare its own tough list of demands for the next round of the GATT Multifibre Arrangement.

Despite a rise of 45 per cent in the value of exports last year and a reduction in the volume of imports—both the result of the weak dollar—the U.S. deficit on its textile and apparel trade was still a hefty \$4bn. This is a figure which is only exceeded by the previous year's deficit of \$5bn and is a substantial pro-

portion of the total U.S. deficit in manufactured goods.

The industry's main target is the guaranteed 6 per cent growth rate per annum allowed under the last MFA, a grave mistake in the words of Mr. William Battle, a former U.S. ambassador to Australia and now president of the American Textile Manufacturers' Institute (ATMI) and chairman of Fieldcrest Mills, the big household textiles group.

The ATMI view—shared by textile trade associations in Europe—is that growth should be limited to the increase in the size of the domestic market,

which in the case of the U.S. has been only around 1.2 per cent over the last few years.

The industry also wants the U.S. Government, which under the present MFA has bilateral deals with 21 suppliers covering 107 product categories, to negotiate actual cutbacks in the quotas allowed to certain major exporters.

The aim, Mr. Buford Brandis, ATMI's international trade secretary argues, would be to create room for new suppliers.

If Hong Kong could be unmasked as leaders of the developing countries and shown instead to be the hogs, they

could well find themselves without anyone behind them except South Korea and Taiwan. This would enable a new type of MFA to be accomplished.

Globalisation, the setting of absolute limits on imports of certain products, a system already employed by the EEC, is also favoured by some parts of the industry.

As in Europe the textile industry makes the strong statements and the Government makes the decisions in the light of a number of other considerations including foreign policy objectives. Nevertheless a new partnership has been forged

between the U.S. textile industry and government in the past 18 months which suggests the two sides are likely to work closely together in the preparation of the American case for the next MFA talks.

The U.S. industry, with a 3m strong labour force, is the biggest manufacturing employer of women and of black, Hispanic, and other minority groups, and packs a strong lobbying punch. The informal textile caucus in Congress made good use last year of the 243 votes it can muster to pass a Bill which would have excluded textiles from the U.S. offer in the GATT Tokyo

Round trade negotiations concluded in Geneva last year. President Carter later vetoed the Bill but was obliged to come up instead with a package of measures designed to tighten imports—at the time showing an 18 per cent increase over the previous year—and to aid exports.

Since the declaration of the Carter textile programme the U.S. Government has insisted on tightening its present MFA agreement with Hong Kong, cutting the flexibility for transfer of quotas from one product to another and controlling the surges created as a result of

unused quota being carried forward to the next year. South Korea and Taiwan have also been subjected to tightening up and the U.S. Government has also taken a tough line in negotiations with China.

A new system of monitoring imports has also been established. Only three weeks after the end of each month the U.S. authorities now have a full picture of total arrivals by product and by country. Armed with this information the Administration has been quick to call suppliers in for consultation as soon as their exports reach certain trigger levels.

## U.S.-Poland reaffirm trade links

By Christopher Bobinski in Warsaw

MR. PHILIP KLUTZNICK, the U.S. Commerce Secretary, on his first visit to Eastern Europe since the Soviet invasion of Afghanistan, has strongly reiterated that economic sanctions taken by the U.S. against the Soviet Union would not affect trade with Poland and the other Comecon countries.

Poland has made it clear that despite present East-West tensions it is keen for business as usual with the U.S. and the two days of trade talks Mr. Klutznick has held here are being described by officials as very cordial.

During the talks Poland gave assurances that there had been no trans-shipment to the Soviet Union of embargoed U.S. goods like grain, nor would there be.

The question of Poland joining the International Monetary Fund was raised by the U.S. and Mr. Klutznick commented "although the Poles are obviously concerned with the question they made no commitment either way."

Mr. Klutznick added: "If the Poles should make the decision, then the U.S. would support it." Western bankers would be happy to see Poland join the fund as this would make it easier for the country, which has a \$18bn debt to the West to raise foreign loans.

Future grain and feed imports by Poland to the U.S. which last year totalled \$450m was a key issue at the talks. The Poles made it clear that they are hoping for around \$500m worth of U.S. Government grain credits in the coming fiscal year starting next October 1. This is the same amount as Poland received from the U.S. Government Commodity Credit Corporation (CCC) annually over the last three years.

However the U.S. Agriculture Department expects that the CCC allocation will be around \$2bn in credit guarantees in the coming year and with around 70 countries competing for funds, the Polish requests unlikely to be fully successful.

It is too early to put a definite estimate on the forthcoming Polish grain harvest but the delayed Spring has meant that Poland already expects to have 1m tonnes of grain less than the 22.4m target for this year.

The U.S. Department of Agriculture has opened a trade office in Warsaw which is to promote farm exports to Poland, Czechoslovakia, Hungary and Romania. Exports of U.S. farm products to the 1979 U.S. fiscal year to these four countries totalled \$327m with \$450.3m going to Poland.

## Third World imports hit Swiss jobs

By Brij Khindaria in Geneva

IMPORTS FROM developing countries will become a major cause of unemployment in some key sectors of Swiss industry although such imports currently account for only 2 per cent of total consumption in Switzerland. For the first time Switzerland is likely to have an overall deficit on its balance of trade this year.

A report by the Zurich Economic Research Institute, a semi-official body, says that rising imports from low cost countries will particularly hit employment levels in the clothing and textile, food processing, woodwork, leather goods, cosmetics, some pharmaceuticals and toy making industries. Makers of bicycles and motor cycles will also be hit as well as the jewellery and watchmaking industries.

About a quarter of Switzerland's industrial labour force is employed in these sectors which produce 16 per cent of the country's gross output.

## UK aid cuts worry CDC

By James Burton

THE COMMONWEALTH Development Corporation, which finances and in several cases manages many diverse enterprises in 45 developing countries, is concerned about the effects which cuts in the Government aid budget are likely to have on its operations.

Presenting the British-Government-owned corporation's 1979 report yesterday, Lord Grey of Naunton, the chairman, said CDC was receiving less money from the Government this year than it had expected. "We can bear these cuts this year and next year but if our level of financing remains at that level we will have to retract and diminish our endeavours," he said.

CDC argues that its investments overseas not only benefit developing countries but also provide export orders, consultancy contracts and other opportunities for Britain.

CDC has no equity capital but subsists partly on loans from the Government and partly on operating surpluses supplemented by sales of investment. In 1979, during which CDC committed £82.7m, it drew £26.9m from the Government and repaid a total of £19.3m, as well as paying about £8.40m in tax. This year the corporation will draw about £25m but repay about £22m. The reductions in Government funds over the three years 1978/79 to 1980/81 mean it will get 35 per cent less money than had been expected.

# We'll do more than just introduce your company to the world

If you want to do business internationally we can help you sort out the banking side without even leaving the UK.

When our customers do business abroad we don't just hand them over to another bank. We've built a worldwide banking network of over 500 offices in 43 overseas countries, offering the same skills and the same co-ordinated approach in Sao Paulo

or Seoul as in Southampton or Sheffield. When you're doing business within this network you're dealing with just one bank—Lloyds Bank.

We can do more than just introduce you to other banks—we can decide with you in Britain exactly what you'll get around the world. Just contact any of our 2,864 branches here at home and abroad.



**LLOYDS BANK**

## England's Stately Home of Gentlemen's Tailoring...

Number One, Savile Row — the centre of the world's finest bespoke tailoring. Suits, hand tailored by Craftsmen — with fittings in 48 hours if required — from a unique selection of superb British cloth.

**GIEVES & HAWKES**  
OF NO. 1 SAVILE ROW, LONDON W.1. TEL: 01-424 2001  
also at 10, Lime Street, London E.C.4. Tel: 01-252 4814



## UK NEWS

## EEC may guarantee risk capital for Channel link

BY LYNTON McLAINE

PRIVATE INVESTMENT in a fixed link across the English Channel may be guaranteed by the EEC, the European Commission said yesterday.

Mr. Hugh Rees, of the commission's transport directorate, said an EEC guarantee was "one of the options" to encourage private capital to back a fixed link.

He was speaking at a symposium on Channel links, organised by the British Road Federation.

The British Government is not against a fixed link but in March Mr. Norman Fowler, Transport Minister, said public funds should not be used to find a scheme. This ruled out British Government guarantees for private investment.

Mr. Keith Wickenden, Tory MP for Dorking, said yesterday after addressing a symposium delegates—EEC guarantees would make no difference to British Government policy. Mr. Wickenden is chairman of European Ferries, the largest private ferry operator on the Channel.

He said that "if guarantees are needed, from whatever source, they will indicate that the proposed fixed link across the Channel will be a failure."

As chairman of European Ferries he did not object to the idea of a fixed link, if it was funded by private risk capital.

But he warned British Rail and French Rail, which have proposed an £800m single-bore railway-only tunnel, that approval to proceed with a tunnel would accelerate his company's investment plans for new, fast ferries.

The company plans to take advantage of what it believes would be a weak position of Sealink UK in the event of a tunnel going ahead—the ferrying of cars.

The British Rail proposal is only for passengers and freight to use its planned tunnel. The ferry companies likely to be most vulnerable will be those with a high proportion of the passenger market. Sealink UK, British Rail's

ferry company, has 41 per cent of the passenger market on short sea crossings from Dover, Folkestone and Ramsgate, compared with European Ferries' 19 per cent share.

Sealink UK has marginally more of the car business on these routes—32 per cent compared with European Ferries' 27 per cent share—and this may temper the impact of the tunnel on the volume of ferry passenger business.

Dover Harbour Board said, in a paper that a decision to construct a tunnel would affect longer term investment at the port. It would cut the port's traffic growth by five years.

Such a cut would have "important implications for Dover." There, over a third of the workforce is employed in activities related to the port.

The board was confident it could continue to handle the forecast growth in all types of traffic beyond the end of the century, without the need for developments greater than those built so far.

## RTZ will take stake in Cerro Colorado

BY PAUL CHEESERIGHT

THE CHANGE in leadership at RTZ effectively sets the group on a new course of development and severs the links with those who guided its rapid growth through the 1950s and 1960s

SIR ANTHONY TUKE, who retires as chairman of Barclays Bank next April, is to be the next chairman of Rio Tinto-Zinc, the biggest of the international mining houses based in London, writes Paul Cheeseright. He will succeed Sir Mark Turner, who plans to step down at the next annual meeting of RTZ in May, 1981.

Sir Mark took over as chairman after the sudden death of Sir Val Duncan in December, 1975. He will be 75 when he retires. Sir Anthony will be 60 when he takes over.

The new appointment honours an undertaking made by Sir Mark in 1976 that the positions of chairman and chief executive would be separated. Sir Anthony will be non-executive chairman, working in tandem with Mr. Alistair Frame, who became chief executive last year.

when RTZ was established as a major force in the world mining industry.

Sir Anthony Tuke's appointment reflects the need to have at the top of a major mining house somebody with proven financial acumen and connections. The greater costs of developing new mineral deposits—over £500m for large developments—have brought with them a complexity of new

financing techniques. Funds may come not only from commercial banks but also from international institutions and host governments. A group like RTZ needs somebody who

knows his way around these particular thickets. Sir Anthony has had a lifetime in banking—he has been chairman not only of the Barclays group but also Barclays Bank International and was the first British president, in 1977-78, of the International Monetary Conference, which brings together international bankers.

RTZ is seeking precisely this knowledge to complement the engineering and technical background of Mr. Alistair Frame, who joined the group in 1968.

It is this web of international connections that gave Sir Anthony the edge over Sir Roderick Carnegie, head of Cominac Riotinto of Australia and a favoured bet for the RTZ chairmanship among many in the industry.

Sir Roderick's experience has been mainly in the Australasian area. He is younger than Mr. Frame, has not had the time to prove himself on a world scale, and the group hierarchy might have found it difficult to pluck out the chairman of one subsidiary at the expense of another.

A cordial relationship between RTZ's London and Australian arms will be essential because the Ashton diamond project in Western Australia is one of the three ventures comprising the next generation of mines for RTZ.

The other two are the Quartz Hill molybdenum deposit in Alaska, which depends on new land legislation from the U.S. Congress, and the Cerro Colorado copper deposit about which



Sir Anthony Tuke  
—chairman designate.



Sir Mark Turner  
—difficult years.

RTZ is currently having talks with the Panamanian Government.

In short, Sir Anthony and Mr. Frame could be taking RTZ down a new growth path, the outlines of which have been drawn by Sir Mark's team.

Sir Mark took over under difficult circumstances. He soon faced a recession in the industry. His task has been to shepherd the group through sagging market and escalating costs. In 1979, net profits were a record £149.8m.

The circumstances were not

propitious for fresh developments, but during his chairmanship capacity was expanded at many of the group's large mines—Bougainville copper in Papua New Guinea, Rössing uranium in Namibia, and Hamersley iron ore in Western Australia, for example.

Sir Mark was a member of the triumvirate led by Sir Val Duncan which built the present-day RTZ. His chairmanship consolidated that structure and he proved to be more than the stop-gap many expected him to be when he first took the job.

## Hope fades for interest rate cut

BY DAVID MARSH

THE CITY has become much more pessimistic about the chances of a cut in interest rates before the autumn. This follows repeated statements from Government Ministers during the past fortnight ruling out any reduction until the high level of bank lending shows definite signs of coming under control.

Minimum Lending Rate has now been at a record 17 per cent for more than six months. Stockbrokers Hoare, Govett, in a report published today, say that MLR is unlikely to be cut until late September or early October, and the rate will probably not be below 15 per cent by the end of the year.

Brokers Laing and Crutch-shank forecast in a separate report that MLR may be cut by 1 per cent in September. But they say that there is no guarantee of further cuts until 1981.

The City's predictions about the timing of an interest rate reduction have been pushed progressively further into the future in recent months. This has been in spite of the Govern-

ment's success in bringing down the growth of the sterling M3 money supply to within the official target range of 7 to 11 per cent.

Hoare, Govett say the outlook for both money supply and inflation is bleaker than thought a few months ago.

Money supply is likely to grow above target during the summer as commercial bills

held outside the banking system come back within the money supply aggregates following the ending of the Bank of England's "corset" controls.

At the same time, the large increase in 1979-80 local authority borrowing announced last week has cast serious doubt on the authorities' ability to achieve this year's target for public sector borrowing.

## Brick deliveries down 5%

BY ANDREW TAYLOR

A SHARPLY reduced house building programme is making its impact felt on brick manufacturers. Deliveries in the three months to the end of April were 5 per cent lower than in the same period a year ago.

Department of Environment figures published yesterday show 23m fewer bricks were delivered than in the same quarter of 1979, when house

building was depressed after a bad winter and a wet spring. House building, which accounts for three fifths of UK brick sales, seems likely to be depressed for the rest of this year.

Council housing allocations for 1980-81 have been cut by a third in England alone. Nevertheless, brick sales in other sectors of the construction industry appear to be holding up reasonably well.

## Crown Life leaving insurance body to raise commission rate

BY ERIC SHORT

CROWN LIFE Group of Companies (UK) is to leave the Life Offices Association, because it intends to pay higher rates of commission to insurance brokers than is permitted by the association.

Mr. Alan Duggin, Crown Life's chief executive, said the commission scale was not compatible with the marketing strategies of the company and would hold back its expansion in the broker market.

Crown Life is the UK life and pensions subsidiary of the Toronto-based Crown Life Insurance but it operates autonomously in the UK. Two years ago it changed its format from selling conventional life and pensions contracts to marketing unit linked life and pensions products as well as mainstream group pensions. It operates both through a direct selling organisation and

through brokers.

The company's plans for expansion through the broker market are based largely on winning a higher volume of business from selective brokers and rewarding brokers accordingly.

The LOA commission scale does not allow the payment of additional commission for volume business, which Crown Life proposes to pay from June 1. It also intends to pay higher commission than the LOA scale on pension contracts for directors and the self-employed.

Mr. Duggin said higher commission payments would be self-financing from higher productivity. The company was not increasing its premium rates, nor was it raising its charges on unit linked business. The sales staff in the broker division had been given higher targets. Equity and Law terminated

its membership of the LOA in 1971 and Irish Life in 1978 in similar circumstances.

**Contest seeks safest driver**

A NEW competition seeks to find Britain's "safest driver of the year" and, in doing so, to improve driving standards.

It is sponsored by Autoglass, windscreens manufacturers, and General Accident, motor insurers. The first prize will be one of the first of BL's new Metro cars. Technical assistance and the examination in safe-driving practices will be provided by the Royal Society for the Prevention of Accidents.

The winner will receive the prize when area finalists attend the national finals at the Motor Show, Birmingham, in October.

## Bronze medallions fetch total of £791,000

SOTHEY PARKE BERNET completed its series of sales at Monaco on Tuesday night by disposing of six bronze medallions, made around 1885 by Jean Arnaud to grace the Place des Victoires in Paris. Twelve were made altogether and in 1825 six

were sold to King George IV, who gave them to the Marchioness of Conyngham.

The top price was the £177,083, which secured a medallion depicting Louis XIV receiving the ambassadors of Siam. Louis XIV and Vauban at the siege of Maastricht made £156,250 and the same sum secured an allegory on the construction of Versailles. The Musée de France stepped in and pre-empted this lot for the nation. Other medallions sold for

£125,000, £104,168, and £72,916, making a grand total of £791,065.

This is netsuke week in London and Christie's began the sale yesterday. The top price was the £8,000 paid by Eskenazi for a boxwood netsuke of a tiger made around 1800.

In the Bonham print sale, two volumes of engravings of paintings in the collection of the Empress of Russia produced in 1788 and taken from the Houghton Gallery in Norfolk sold for £8,000.

## NEDC meeting

THE MONTHLY meeting of the National Economic Development Council, planned for Wednesday, June 16, because some Ministers involved will be abroad and because the memorial service for Sir John Methven, CBI director-general, will take place at noon on Wednesday.

# "Small but mine"

People who run their own small business can now afford a big-business copier.

Just because you're small, it doesn't mean you can't have the best. Indeed, for a small company, good presentation of documents and a professional image are all the more important.

That's why the Xerox 2300 is the best choice for the small budget.

It gives crisp, clear copies on plain paper sizes from A5 to B4—approximately 6" x 8" to 10" x 14".

And whether you rent or buy, the 2300 is backed by Britain's biggest nationwide service network.

If economy, reliability and copy quality are important to your company, find out more about the Xerox 2300 today. Just post the coupon.

Or dial 100 and ask the operator for Freefone 2279.

**RANK XEROX**  
Setting the standards

\* Xerox and Rank Xerox are registered trade marks of Rank Xerox Ltd.



**POST TODAY. NO STAMP REQUIRED**

Post today to: Rank Xerox (U.K.) Ltd., Freepost, P.O. Box 3, Horley, Surrey RH6 9RX

Please let me have, without obligation, details of your complete range of copiers

(Mr/Mrs/Miss/Ms)  
Position  
Company  
Address  
Nature of Business

Thank you for your enquiry. This information will help us to respond quickly.

**RANK XEROX**  
A member of the Xerox Corporation



## Liquidations at three-year high

BY ANDREW FISHER

UK COMPANY liquidations in the first quarter of 1980 reached their highest level since mid-1977 with a record number of compulsory liquidations, according to figures from the Department of Trade.

Total liquidations rose to about 1,450 compared with 1,250 in the previous quarter on a seasonally adjusted basis, putting them near the peak levels of 1976 and 1977.

The figures mirror the generally gloomy tone of recent statements about industrial prospects by the Confederation of British Industry, the National Institute of Economic and Social Research, and leading stockbroking firms.

Creditors' voluntary liquidations rose from 659 to 730 after seasonal adjustment, still under the 1975-77 levels, while compulsory liquidations—decided in court—were up from 653 to 725.

There was a drop in the number of receiving orders, together with administration orders and deeds of arrangement, from 810 to 875, equal to the average level for 1979.

The department's figures—now yet published because of a recent printing dispute—give no idea of the relative size of the companies in difficulties, nor whether they are publicly quoted, and understate the real seriousness of the situation.

Insolvency specialists at leading UK accounting firms say that industry is possibly being hit harder than at any time since the war by the combined pressures of high interest rates, rising inflation, the strong pound, and large wage demands.

Nor do they generally foresee any improvement for at least a year. Dun and Bradstreet, the credit reporting service, said recently that small companies were particularly vulnerable to recession, particularly if they had borrowed heavily to tide them over awkward times.

## Tower Houseware makes 135 workers redundant

BY LORNE EARLING

TOWER HOUSEWARE, part of Tube Investments' domestic appliance division, is to make 25 per cent of its workforce redundant because of falling consumer demand for its kitchen products.

The company, based at Wombourne, near Wolverhampton, will cut its present workforce of 540 by 135 over three months, at the same time introducing new working methods in an effort to become more competitive.

The company said it entered the New Year with high stocks because of a poor pre-Christmas period and has been operating on short time since February.

There has been little improvement in demand since then, and although 60 per cent of sales are normally in the second half of the year there is no need to increase output in preparation.

The company, taken over by Tube Investments in 1975, produces ranges of saucepans, frying-pans, pressure cookers and related kitchen equipment.

Mr. Warren Bradley, company personnel director, said he did not foresee any further redundancies. He believed that with some reduction in overall fixed costs, and the prospect of major orders in the near future, the company's future was sound.

## UK ECONOMIC INDICATORS

**ECONOMIC ACTIVITY**—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1975=100); retail sales value (1975=100); registered unemployment (excluding school leavers) and unutilised vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unempl.	Vacs.
1978							
4th qtr.	110.3	103.0	109	101.7	132.3	1,349	230
1979							
1st qtr.	110.1	102.6	98	100.7	134.0	1,351	234
2nd qtr.	114.8	107.1	106	106.2	144.8	1,299	256
3rd qtr.	112.8	103.0	99	99.5	144.6	1,269	247
4th qtr.	112.7	103.7	106	101.7	151.9	1,286	239
Nov.	114.1	105.3	114	102.5	153.2	1,282	234
Dec.	112.1	103.5	103	101.7	153.1	1,294	219
1980							
Jan.	111.4	101.8		103.1	155.5	1,329	207
Feb.	110.2	100.5		104.1	158.7	1,314	181
March	108.9	98.1		103.0	159.9	1,414	181
April						1,458	169

**OUTPUT**—By market sector: consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invest. goods	Intmd. goods	Eng. output	Metal mfg.	Textile etc.	Housg. starts*
1978							
4th qtr.	105.8	97.3	123.9	97.9	100.2	102.2	20.3
1979							
1st qtr.	105.9	99.2	127.1	98.8	98.4	100.0	12.9
2nd qtr.	108.6	102.0	133.0	102.7	110.1	102.9	21.3
3rd qtr.	105.6	96.2	122.2	94.9	103.8	100.2	21.0
4th qtr.	104.3	101.3	129.6	95.1	100.9	94.9	18.1
Oct.	103.0	95.0	130.0	95.0	100.0	95.0	20.8
Nov.	106.0	102.0	128.0	101.0	103.0	97.0	19.2
Dec.	104.0	102.0	128.0	100.0	98.0	92.0	14.6
1980							
Jan.	106.0	101.0	126.0	100.0	65.0	94.0	13.2
Feb.	105.0	102.0	123.0	100.0	59.0	92.0	11.4
March	103.0	97.0	124.0	95.0	67.0	89.0	12.3

**EXTERNAL TRADE**—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US\$bn*
1979							
1st qtr.	109.0	116.9	-1,588	-1,215	-235	107.0	16.78
2nd qtr.	135.3	128.9	-486	-31.0	-229	160.4	21.69
3rd qtr.	129.8	128.1	-493	-238	-158	106.8	23.18
4th qtr.	129.2	128.9	-745	-674	-157	103.7	22.54
Nov.	131.8	125.8	-75	-51	-27	104.1	22.42
Dec.	131.3	131.2	-322	-229	+ 88	102.6	22.72
1980							
1st qtr.	131.5	126.7	-723	-573	-126	100.7	24.87
Jan.	129.9	128.3	-321	-271	-74	100.9	23.71
Feb.	126.8	129.1	-226	-176	-52	100.6	23.93
March	127.8	123.8	-176	-126	0.0	100.7	25.96
April	127.0	127.8	-264	-214	+ 44	102.9	28.01

**FINANCIAL**—Money supply M1 and sterling M3, bank advances to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances	DCE £m	BS inflow	HP lending	MLR %
1979							
1st qtr.	7.6	9.3	32.6	+1,525	777	1,581	13
2nd qtr.	9.7	12.2	29.5	+2,797	777	1,867	14
3rd qtr.	15.5	16.2	13.2	+2,469	933	1,879	14
Dec.	5.1	12.8	16.2	+ 259	161	335	17
1980							
1st qtr.	-2.3	9.5	25.4	+1,589	624		17
Jan.	-8.1	8.7	22.6	+ 777	325	688	17
Feb.	-6.4	10.0	20.7	+ 271	189	687	17
March	-2.8	9.4	22.4	+ 709	290	633	17
April	-2.5	8.3	19.1	+ 671	266		17

**INFLATION**—Indices of earnings (Jan. 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1982=100); trade weighted value of sterling (Dec. 1971=100).

	Earnings	Basic mfgs	Wholesale mfgs	RPI	Foodst	FT comdty	Strg.
1979							
1st qtr.	144.2	153.4	161.6	208.9	218.5	268.58	64.0
2nd qtr.	147.3	163.3	168.9	216.5	225.2	293.55	67.4
3rd qtr.	154.2	169.9	176.4	221.1	231.9	301.96	71.0
4th qtr.	161.7	182.9	181.8	227.2	237.2	325.13	68.8
Nov.	162.1	186.0	181.6	227.7	237.0	327.22	68.4
Dec.	155.1	187.5	183.4	230.4	239.9	325.13	69.7
1980							
1st qtr.	163.0	197.6	191.5	240.5	247.5	334.47	72.4
Jan.	163.0	193.5	183.5	245.3	244.5	338.69	71.4
Feb.	167.3	197.5	191.5	245.3	246.7	304.27	73.2
March	172.6	200.5	194.4	251.1	251.1	328.47	72.6
April		201.9	197.1	260.8	254.1	275.67	72.8

\* N = Not seasonally adjusted.

## Housing cuts 'affect those most in need'

BY ROBIN PAULEY

THE Government's cuts in housing expenditure were described as appalling yesterday by the Labour-controlled Association of Metropolitan Authorities. An identical motion was defeated at the association's last meeting, before the local government elections earlier this month, when the AMA was Tory-controlled.

Labour now has a majority of 11 over the Tories, who previously held control by one. Yesterday the Labour group formally elected Mr. Jack Smart (Wakefield) as leader, with Mr. Roy Shaw (Camden) deputy. Mr. Smart will take over the chair-

manship from Sir Godfrey Taylor in July.

Yesterday, Mr. John Mills (Camden) and Mr. John Koz (Hackney) reintroduced their motion against the Govern-

ment's cut in housing invest-

ment programmes, which was

carried by 40 votes to 34. In

April it fell by 33 votes to 35.

The motion said Government

policy would mean even more

drastic cuts in local authority

mortgages, discretionary im-

provement grants, assistance to

housing associations and in

every aspect of housing capital

expenditure.

The consequences of this

misguided policy are disas-

trous," it said. "It is highly

regressive, hitting those in most

housing need the hardest."

This association therefore

condemns these huge cuts as

totally unacceptable and calls

upon the association to use all

its powers to get the Govern-

ment's present housing policies

reversed.

Mr. Mills and Mr. Koz

rejected Sir Godfrey's advice

that they refer the matter back

to the housing committee in

preparation for the line the new

majority group would want to

take with Ministers in the con-

sultative housing council.

## Pay 'threat' to UK shipping

BY OUR SHIPPING CORRESPONDENT

A WARNING that sharply rising crew costs threaten to price British shipping companies out of the market was given by Mr. Adrian Swire yesterday in his presidential address to the General Council of British Shipping.

Mr. Swire said the gap between UK and Far Eastern manning costs had widened to "alarming proportions." Manning a 25,000-dwt British bulk carrier costs £200,000 a year

more than its Far Eastern-

operated counterpart.

That extra cost will increas-

ingly make life difficult for the

less sophisticated, less capital-

intensive end of the British

fleet, even when manned by

well trained, competent and

conscientious British crews, Mr.

Swire said.

Recent wage increases have

taken a Master's average annual

earnings to more than £14,000;

a second engineer's to more

than £10,000; and an able se-

men's to more than £6,000.

The past four years' sharp

decline in the UK fleet did not,

Mr. Swire said, justify defeatism

or panic.

The UK still has the world's

fourth largest fleet. Its vessels

are still relatively young, with

an average age of seven years.

Over the past three years it has

contributed an average £1bn net

a year to the balance of pay-

ments.

IF YOU'RE NOT NERVOUS  
ABOUT COMPUTERISING  
YOUR BUSINESS  
BELIEVE US, YOU SHOULD BE.

There's little doubt that the right computer system could help your business grow faster and more cost effectively than it's doing at present.

But, faced with the bewildering variety of computer systems on the market; the bright, enthusiastic salesmen; the incomprehensible jargon; the glossy brochures; the endless list of facts, figures, prices and promises, choosing the right computer system for your needs can be a real problem.

And a problem you'd be right to feel apprehensive about.

Just how do you avoid making an expensive mistake?

One of the most sensible moves you could make would be to buy from a company whose expertise and experience in the field of mini-computers is second-to-none.

At DATA GENERAL we've been designing and selling the kind of system your business needs for years.

And as a result you'll find we understand your fears, doubts and apprehensions very well.

Unlike some companies, for example, we won't sell you a system that will be obsolete before you've even finished paying for it.

Or a system that can't expand in easy stages to meet the growing demands of your business.

Or, for that matter, a system that your existing staff will find difficult to understand and operate.

And if you're worried about having to deal with anonymous strangers during the critical period of your system's installation and development—don't. Because we'll appoint expert local specialists to take care of everything. Local people with whom you will be able to establish a good working relationship. People you'll be able to trust.

## Labour Left well placed

By Richard Evans, Lobby Editor

THE Labour Party's Left wing has gained a tactical advantage at Saturday's one-day conference with an agreement that Mr. Anthony Wedgwood Benn will conclude the day's debate.

Mr. James Callaghan, Opposition Leader, will open the special conference, called at Wembley to attack Government economic policies and to present the Labour Party alternative.

However, the other three platform speakers will all be Left-wingers. They will include Miss Joan Lester, MP for Eton and Slough, and Mr. Eric Heffer, MP for Liverpool, Walton.

Before the conference will be a National Executive Committee policy document entitled Peace, Jobs and Freedom, which is heavily Left-orientated, particularly on defence. It seems certain to be approved overwhelmingly by the 900 accredited delegates and the 200 ex-officio delegates expected to attend.

It will then be taken by the Left as a base from which to develop policies.

Confusion might arise on Saturday because of a running pay dispute at Labour Party headquarters that has led to the refusal of some union members to handle conference arrangements.

## Distillers plants on short time

BY GARETH GRIFFITHS

THE DISTILLERS' Company, which dominates the Scotch whisky industry, has introduced short time working at half its bottling plants because of falling export sales.

About 3,500 workers have been put on short time at four plants. The Haig plant in Fife, the Sanderson plant at South Queensferry and a Distillers (DCL) central bottling plant at Fife have been working every other week for the past three weeks. The Buchanan bottling plant at Stepps, near Glasgow, will work two weeks out of three.

DCL said it hoped to reintroduce full time working as soon as possible.

The company blames the short time working on a considerable fall in demand during the first three months of this year, coupled with high stock levels overseas. About 90 per

cent of DCL whisky is exported. No redundancies are planned at the moment.

The General and Municipal Workers' Union, which represents the largest number of bottling workers at DCL, has expressed concern over the company's decision not to apply for Government employment subsidies to avoid short-time working.

Mr. James Morrell, the GMWU regional secretary for Scotland, said yesterday about 300 part time workers at other whisky companies had been made redundant because of falling sales.

DCL has introduced a new de luxe blended whisky, VAT 69 Reserve. The blend, which went on sale this week, is bottled at the Sanderson plant and is being sold at about £7.50 a bottle.

## Vehicle test fees to be raised

MINISTRY OF TRANSPORT vehicle test fees are to be increased by £1.10 from July 1, it was announced yesterday.

Mr. Norman Fowler, Minister of Transport, this morning laid the necessary regulations before Parliament. The fees for testing cars, light vans and motorcycle combinations are to be increased to £8.70 from £5.60 and solo motorcycles to £4 from

£3.36. The MoT test certificate is valid for one year.

The reduced re-test fee, which applies under certain conditions, will continue to be half the full fee. The charge for a duplicate test certificate goes up from 50p to £1.

The MoT test fee was last increased on November 1 last year. The test may be performed by any authorised garage.

What's more, once your system is up and running we'll give you the back-up of the finest Field Engineers in the country.

Over the years we've installed our Commercial Systems in thousands of businesses, large and small, all over the world.

So far none of our customers seem to think they've made a mistake.

Which pleases us; because we believe your first computer system should be your last.

If you're inclined to agree, get in touch and talk your problems over with us.

At the very least you'll find it a relaxing experience.

Over 78,000 computers are now at work in 57 countries.

ECLIPSE is a registered trademark of Data General Corporation. Data General Corporation, 3rd and 4th Floors, Hounslow House, 724-734 London Road, Hounslow, Middlesex TW3 1PD. Tel: 01-572-7455.

To: Marketing Communications, Data General Limited, 3rd and 4th Floors, Hounslow House, 724-734 London Road, Hounslow, Middlesex TW3 1PD. Tel: 01-572-7455.

I'd like your help in computerising my business.

Please send literature and have a representative phone me.

Please send literature.



## UK NEWS

## British Shipbuilders alter subsidisation policy

BRITISH SHIPBUILDERS is being forced to alter its policy on subsidising shipbuilding orders, because of the Government's tough financial limits.

Government shipbuilding subsidies are to be shared among shipyards most in need, instead of among yards most likely to win orders. This is prejudicing the marketing efforts of the country's most successful shipyards.

Almost every ship built in Britain is subsidised out of the Government's Intervention Fund. The fund makes up the difference between the UK cost of the ship and the prevailing world price, which is normally substantially lower.

In the year to this July, British shipyards have access to £85m of subsidies from the fund. This drops to £55m in the year to July 1981. But, the effect of this reduction in subsidies has been exacerbated by the strict financial limits which British Shipbuilders now has to observe.

In its last financial year, which ended in March, British Shipbuilders' trading loss was limited to £100m, on top of which could be added about £65m of intervention fund money, making its loss limit £165m.

British Shipbuilders has been able to meet this financial target for 1979-80, but is finding its 1980-81 financial target a much

more difficult assignment. Under the new target, announced last July, British Shipbuilders' trading losses have been limited to £90m and this is after crediting subsidies of up to £55m from the intervention fund. This means British Shipbuilders' losses are limited

The effects of the Government's financial limits — through the Intervention Fund — on the shipbuilding industry are examined by WILLIAM HILL, Shipping Correspondent. Shipyards most likely to win orders are to be penalised to the benefit of yards most in need of orders.

effectively to £35m in the current financial year.

Since the cash limits were announced nearly a year ago British Shipbuilders' trading environment has deteriorated. The pound has appreciated against both the yen and the dollar by about 5 per cent, making it harder for UK shipyards to compete internationally.

Also, the UK steel strike has further depleted British Shipbuilders' slender financial resources.

As a result of its fears of breaking the Government's tough cash limits for the 1980-1981 financial year, British Shipbuilders is understood to want

to ration the intervention fund subsidies among those yards most in need. This means yards with the longest order-books are being sacrificed in the interests of those yards most in need of work.

This was agreed at a recent meeting of shipyard chief executives. However, it is unlikely that any shipyard can win orders without intervention-fund assistance.

Austin and Pickersgill, Britain's most successful shipyard and which has worked until early 1982, will temporarily stop tendering for new orders since current negotiations for two or three ships have been completed.

However, it is understood that A and P came to this decision for its own internal reasons rather than as a result of British Shipbuilders' pressure.

## BA plans 747 freight service

BRITISH AIRWAYS' first 747 all-freight service, to operate between Prestwick and New York, starts on October 1 and is expected to make four round trips a week.

The airline operates a twice-weekly 707 all-freight service London-Prestwick-New York and a three-weekly service in the opposite direction.

## Enterprise zones plea by Glasgow

By Robin Pauley

GLASGOW District Council is to ask the Scottish Office to agree to a corridor of enterprise zones in the western part of the city. They would take in the declining Singer works in Clydebank, some derelict land in Yoker, the former Goodyear tyre factory at Drumchapel, the former Clyde Valley power station, the former Weir Pumps factory and the old Albion bus works.

Enterprise zones are to be established on about seven sites, each no larger than 500 acres, as an experiment in trying to revitalise depressed inner city areas. Companies setting up within a zone benefit from exemption from development land tax, 100 per cent de-rating on industrial and commercial property, 100 per cent capital allowances for commercial and industrial buildings, simplified planning procedures and exemption from other requirements.

Scotland, Wales and Northern Ireland are expected to have one site each. The Singer site on Clydebank was expected to be the most likely for Scotland although another at Braehead was a possibility.

Glasgow Council thought neither site was ideal and decided to recommend the corridor approach. Officials said the Scottish Office might accept this idea.

## UNION CONGRESS DEBATES TOUGH TRADING FIGURES

## More Co-op mergers likely

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

A WAVE of mergers among the 191 co-operative retail societies as a result of the tough high-street trading conditions is likely to follow the Co-operative Union Congress which ended yesterday in the Isle of Man.

The congress provided the opportunity for a number of retail societies to hold informal preliminary discussions on possible mergers.

Mr. Lloyd Wilkinson, the union's general secretary, said: "There is a state of merger activity going on." At least half a dozen new mergers were possible this year.

It was disclosed yesterday that the Hull and East Riding Retail Society will soon open merger talks with the Co-operative Retail Services Society. The CRS, the largest co-op society, traditionally takes over retail societies in financial difficulties or those who want to be part of a larger organisation.

The Hull society is in a relatively healthy financial position but wants to join the CRS to take advantage of its greater buying power and access to capital resources for super-store development.

Hull had a turnover of £17m in its last financial year while the CRS had sales of £489m and a trading surplus last year of £15.5m.

Other merger talks being held involve the Walsall and

Kidderminster Retail Societies who are planning to create a £40m retail organisation in the West Midlands.

Earlier this month the Hincley and Barwell society and the Nuneaton and Atherton society were merged to form the East Mercia Retail Society, with an annual turnover of £20m.

The pressures for mergers were indicated yesterday by new statistics produced by the Co-op Union, the umbrella organisation for the co-operative movement.

They showed that the Co-op's share of total retail trade fell from 7 per cent in 1977 to 6.5 per cent last year. Food sales fell from 11 to 10.7 per cent while non-food sales remained static at 2.6 per cent.

Talks are still proceeding on a proposal to merge the Co-operative Wholesale Society and the larger retail societies into a trading organisation called Co-op GB. The proposal received the congress's backing on Tuesday but no time limit was set for its implementation.

Many delegates think it unlikely, however, that Co-op GB will be formed in the near future. Instead it is suggested that the CRS provides a quicker method of getting the trading benefits of a national organisation.

The Co-op's basic difficulty is that with the trend in the high

street towards national multiple retailers, the 191 retail societies are still largely independent of each other in their trading activities.

At yesterday's closing session the congress loudly condemned the Government's handling of the economy. It unanimously passed a resolution calling upon all members of the Co-operative movement "to

work for the return of a Labour government which will adopt a more enlightened approach to the problems faced by Britain in the contemporary world."

The congress also voted overwhelmingly to try to use its links with co-operative movements in other countries to work towards reducing world tension and cutting arms production.

## Few councils ignore local Ombudsman

BY ROBIN PAULEY

ABOUT 5 per cent of councils about which complaints of maladministration are lodged with the local Ombudsman fail to take remedial action, according to a consumers' guide to local government published today.

The book says although most councils accept the findings of the Ombudsman—the Commission for Local Administration in England—and try to do something about them, 17 councils refused between 1974-77, and 15 refused between 1977-79.

In the later group two councils, Birmingham and Epping Forest, twice failed to satisfy the Ombudsman. Walsall and West Oxfordshire appear in both groups.

"One finding of maladministration against Walsall was on the grounds of failure to reply to, or sometimes even acknowledge, letters from complainants' MPs and others. It is the attitudes displayed by these apparently unresponsive authorities which underlie demands for the local Ombudsman to be given teeth—effective powers to enforce remedies," say the authors.

The book highlights the advantage enjoyed by the Northern Ireland local Ombudsman. He can seek an injunction or a declaration from the High Court to prevent a bad council from persisting in action previously reported by the Ombudsman as maladministration.

A section of the book deals

with local government finance. It concludes that improvement of the rating system would be preferable to replacing rates with a local income tax.

It advocates using the actual market-value of a house as the basis for rating, rather than the present system which is based on an out-of-date estimate of the potential rent a property would command.

The authors say although successive Governments have tried to check the growth in local government spending since 1975, none found it easy to identify large areas of waste or unnecessary provision of services.

"While ratepayers are growing more vigilant and there is increasing study of the comparative costs of neighbouring councils, the problems of assessing efficiency remain."

The ballot-boxes, was not always the answer, because many wards and many authorities were virtually unwinable by minority parties. Alternative answers were public participation and pressure groups.

"The achievement of greater responsiveness and accountability is as much the responsibility of the ordinary citizen as it is of the local authority. The apathetic community deserves the local government which it gets."

A Consumer's Guide to Local Government, edited by Martine Minogue, published by Macmillan for the National Consumer Council, £4.95.

## Hamlyn gift to aid Covent Garden

THE ROYAL OPERA House at Covent Garden is to receive £250,000 towards the appeal, in return for further contributions to the collection from Mr. Paul Hamlyn, founder and chairman of Octopus Books.

Covent Garden has been given an opportunity to swell its appeal fund from a gift of a limited edition of facsimile etchings of London Before and After the Great Fire of 1666 by Wenceslaus Hollar. Of the 250 sets printed, 150 have been presented to the Royal Opera House to aid the appeal. The etchings are published in association with the British Museum by Mr and Mrs Hamlyn, and the collection will be available

to those who have already supported the opera's development appeal, in return for further contributions to the collection.

The appeal committee, headed by Sir Claus Moser and the Earl of Drogheda, present and past chairmen of the Royal Opera House, has already raised £8m. It has warmly welcomed Paul Hamlyn's generosity.

"The response to the appeal over the past two years has been most encouraging," said Sir Claus. It had enabled work to be started on the building of an extension which, when completed in 1983, would bring the 125-year-old Royal Opera House "up to the standard of other great international opera houses."

## CONTRACTS

## £2m centrifugal pumps for North Sea oil

The Penistone-based Bingham pump division of DAVID BROWN GEAR INDUSTRIES has won orders for centrifugal pumps worth over £2m.

The majority of the orders have been placed by Marathon Oil UK, who are leading a consortium of oil companies to develop the Brae field in the North Sea. The orders include 100 centrifugal pumps for use in North Sea oil offshore installations.

HUNTING SURVEYS has been awarded a contract by BP Petroleum Development Aberdeen, to carry out a comprehensive programme of hydrographic and shallow geophysical surveys in the North Sea and the continental shelf of the British Isles during 1980.

Medway Ports Authority has awarded a contract worth about £1.2m to HAM DREDGING for the reclamation of 20 acres of tidal mud flats adjacent to the Port of Sheerness. Work comprises supply and placing of dredged hydraulic sandfill, construction of sea defence works to protect the outer side of the reclaimed area, and includes extension of existing outfalls.

Clyde Port Authority, on behalf of Ardrossan Harbour Company, has awarded a contract worth about £800,000 to HAM for dredging in Ardrossan Harbour.

WESTINGHOUSE BRAKE AND SIGNAL COMPANY, a Hawker Siddeley company, has signed a £1.5m contract for train describer equipment on the London to Brighton line.

DATA LOGIC has been awarded a contract worth £140,000 for the first stage of a word processing project to install integrated text and data systems at Price Waterhouse's London regional offices.

The system incorporates Lextron word processors linked to Raytheon PS 1200 computers. When completed, during the next 12-18

months, the project will be worth about £1.3m.

Ferranti has placed an order with INTERNATIONAL COMPUTERS for two ICL 298/10 computers worth a total of £1.2m. The new computers will be installed in September at the Ferranti computer centre in Holwood, Manchester, which provides computing facilities for all the group's operating companies based in England.

The Bradford-based major projects division of N. G. BAILEY AND CO. has been awarded a contract worth over £300,000 from the Central Electricity Generating Board for the main cabling and earthing at the Cowes gas turbine generating station, Isle of Wight.

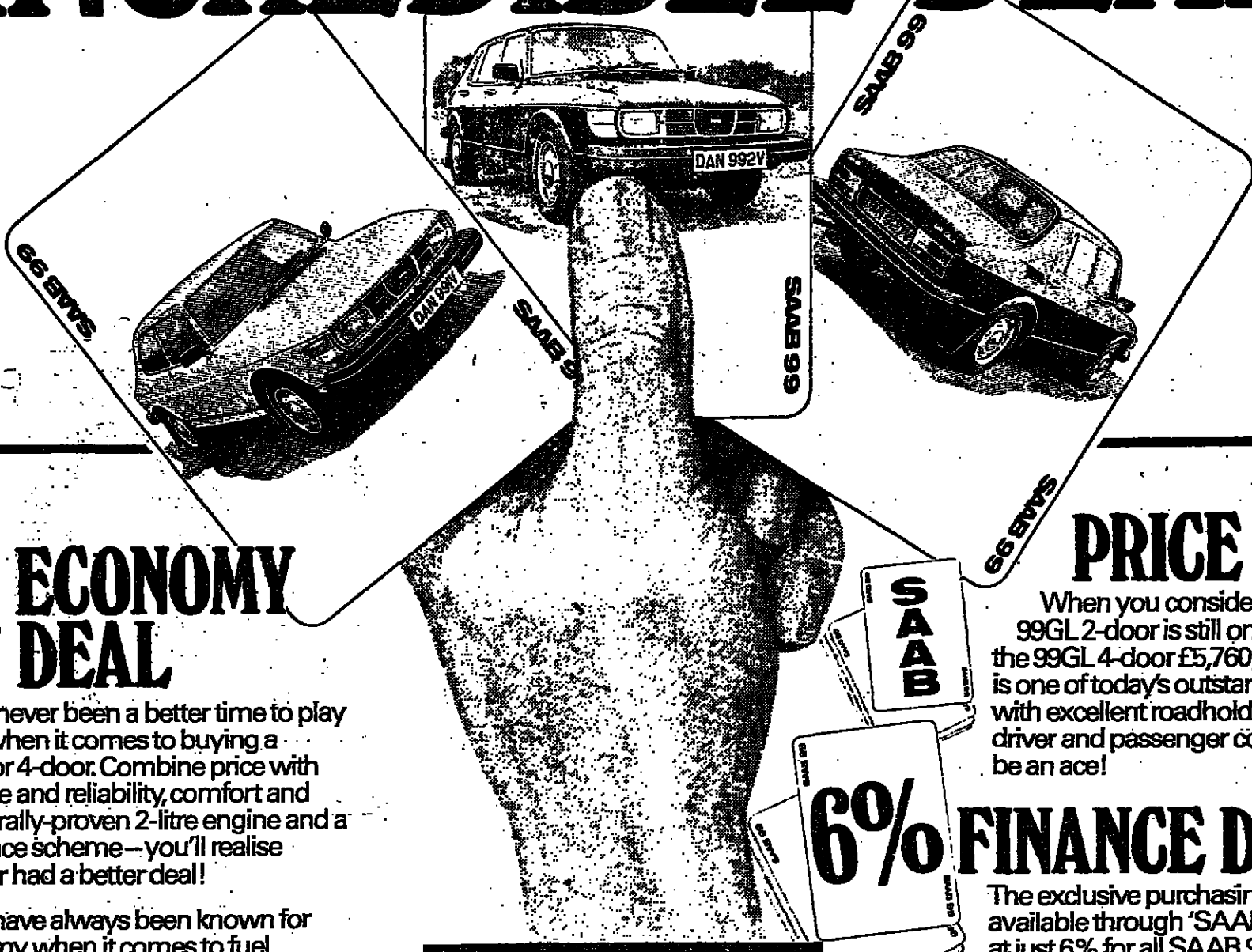
RABCOCK PRODUCT ENGINEERING, Crawley, Sussex, has been awarded a £250,000 contract by Shell UK administrative services for converting the firing system of the three corner tube boilers which supply hot water for heating, etc., throughout the Shell Centre complex, Waterloo, London. Work involves fitting new oil pumps and burners and electronic interlocks and controls.

POWER CLEANING, Romsey, Hampshire, has been awarded a £150,000 contract by London Transport Executive for work on the Northern and Bakerloo lines of the London Underground. The company will be removing 22 km of noise reduction baffles from the sides of the tunnels. The baffles consist of perforated board and pulverised fuel ash. They are being removed because of maintenance difficulties.

An order worth about £25,000 has been placed with FISHER CONTROLS process instrumentation division, Lancaster, by the London Electricity Board for extensions to an existing telemetry control system.

# THE SAAB 99

## 'INCREDIBLE DEAL'



SAAB

### ECONOMY DEAL

There's never been a better time to play your cards when it comes to buying a SAAB 99 2 or 4-door. Combine price with performance and reliability, comfort and economy, a rally-proven 2-litre engine and a special finance scheme—you'll realise you've never had a better deal!

SAAB cars have always been known for their economy when it comes to fuel consumption. Typical return in the SAAB 99GL 2-door was around 41.5 mpg at a constant 56 mph. Now, the cleverly designed high ratio gearbox is fitted to the 2 and 4-door manual. It can reduce fuel used by an INCREDIBLE FURTHER 8%\* and the NEW ECONOMETER will help you drive even more fuel-efficiently.

There's never been a better deal when it comes to buying a SAAB 99

### PRICE DEAL

When you consider the SAAB 99GL 2-door is still only £5,275 and the 99GL 4-door £5,760, for the car that is one of today's outstanding saloons, with excellent roadholding and superb driver and passenger comfort, it must be an ace!

### 6% FINANCE DEAL

The exclusive purchasing aid, now available through 'SAAB FINANCE' at just 6% for all SAAB 99s, including the remarkable 99 Turbo, makes it a lot easier for you to own the economy investment of the 80s.

DON'T WASTE A MOMENT  
6% FINANCE DEAL FOR LIMITED PERIOD ONLY

SAAB 99GL 2 door—£5,275

SAAB 99GL 4 door—£5,760

FREEPHONE 3215

For more facts from your local SAAB dealer, use the Freefone. Dial 100, ask the operator to get you Freefone 3215. It won't cost you anything.

\*6% Equivalent to an annual rate of 11.55%. Maximum 2 years. Preferred business terms also available. All proposals are subject to acceptance by SAAB FINANCE.

Prices include seat belts, car tax and VAT. Delivery and number plates extra.

The SAAB 99GL 2 and 4-door Single Gear Manual (simulated urban driving) 24.8 mpg (41.5 litres per 100 km); constant speed driving 90 kph (56 mph) — 45.6 mpg (52.2 litres per 100 km); constant speed driving 120 kph (75 mph) — 34.6 mpg (62.2 litres per 100 km).

SAAB (Gt. Britain) Ltd., Fieldhouse Lane, Marlow, Bucks. SL7 1LY. Tel: Marlow (06284) 6977.

مكتبة الأصيل

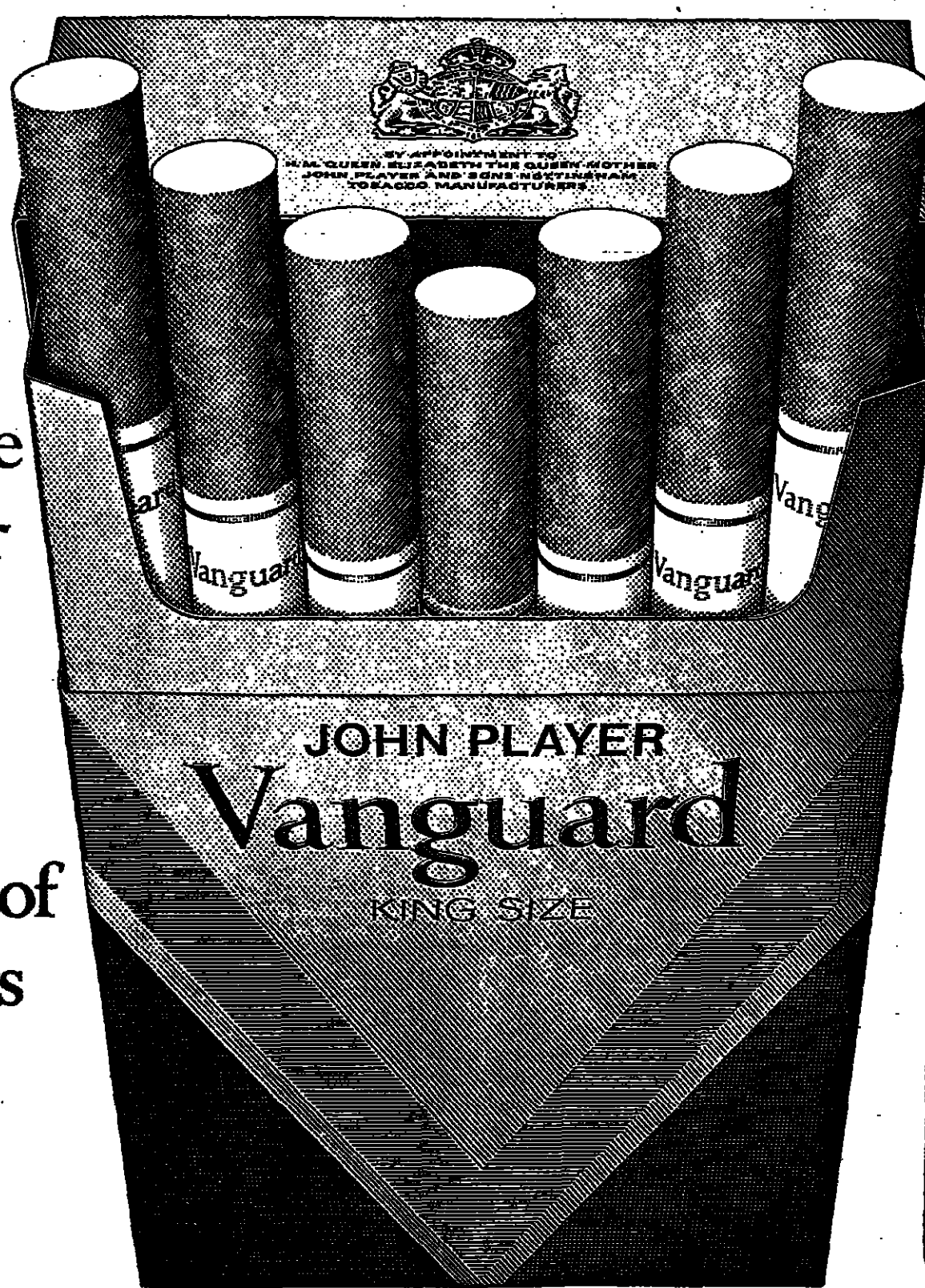


## Middle Tar Smokers

# Lose Tar not taste!

Now there's a cigarette  
that offers you low tar  
with a taste to match  
middle tar brands.  
And in an extensive  
research survey 7 out of  
10 middle tar smokers  
sampled agreed.

**NOW'S THE TIME  
TO SWITCH!**



SPECIAL  
INTRODUCTORY PRICE

**70P**

Price recommended for packs marked 'Special Price.'

**GREAT  
PACK OFFER**

Inserts from 10 packs with red  
tear tape needed.  
Stocks limited – last date for  
redemption 31.10.80. Open only  
to smokers aged 18 years or  
over resident in the UK.

## Vanguard-Low Tar with Middle Tar Taste

The tar yield of this brand is designed to be **LOW TAR** Manufacturer's estimate, January 1980, of group as defined in H.M. Government Tables.

**H.M. Government Health Departments' WARNING:  
CIGARETTES CAN SERIOUSLY DAMAGE YOUR HEALTH**



## UK NEWS - LABOUR

## Days lost through strikes up 40%

By Philip Bassett, Labour Staff

BRITAIN lost more than 9.2m working days through strikes in the first quarter of this year, according to figures published yesterday by the Department of Employment.

This is an increase of more than 40 per cent over the total for the same period last year—the height of the so-called “winter of discontent” under the previous Labour government.

The loss of 9,297,000 days through industrial stoppages—the steel strike accounted for 8,575,000—is also nearly a third of the record total of 29m days lost through strikes last year.

The total is an indication that the figure for the year may well approach or even surpass last year's record.

In the first quarter of the year, although the number of days lost was much higher, only 345,200 workers were involved compared to 2,637,400 in the same period last year.

Publication of the figures in the Department of Employment Gazette was delayed until yesterday because of the recent printing dispute involving the National Graphical Association. Publication of the May issue has also been delayed and the department does not now expect it to be published until the middle of next month.

The steel strike accounted for 2.5m days lost in March, although the month's total of 3,258,000 showed only a small increase on the February total of 3,212,000. The number of workers involved rose, however, from 188,000 to 224,000.

Apart from the steel strike, the department lists as prominent stoppages in March a one-day strike by 5,600 Liverpool dockers in support of 100 workers laid off for refusing to load steel, and a one-day stoppage by radio-grammers and other supplementary medical staff in protest at a report by the Clegg comparability commission.

Short-time working in manufacturing industries rose in February to its highest level since early 1976.

## AUTHORITARIANISM 'WILL BE RESISTED' BUT...

## Murray calls for consensus

By JOHN LLOYD, LABOUR CORRESPONDENT

CONSENSUS BETWEEN Government and trade unions on a range of issues was urged by Mr. Len Murray, general secretary of the TUC, yesterday.

He gave a warning, however, that where Government “rejected consensus in favour of authoritarianism, whether in the form of open, centralised dictatorship or in the form of the hidden but iron hand of the marketplace,” then unions “would use every weapon that is properly available” to defend living standards, jobs and the social wage.

Mr. Murray, giving the third in the present series of Granada Guildhall lectures, took as his central theme the acceptability of policies and of democracy as a whole.

The dilemmas with which particularly British society were

faced, he said, “can only be resolved... by establishing a consensus democratically through argument, debate and agreement, and that is essentially, at all levels, a bargaining process, a continuous process, which is neither fixed nor finished.”

He said: “We need to evolve in our society structures and representative institutions—political, social and industrial—through which people can express their choice and can do it in a continuous and responsible way.”

“Putting a cross on a ballot paper once every five years is no substitute for democracy.”

Mr. Murray echoed many of the arguments advanced in the early period of the last Labour Government, when the issue of

industrial democracy was to the fore. He again emphasised the twin themes of involvement in decision-making, and acceptance of responsibility for the consequences of decisions.

Although unions could more easily find common ground with Labour Governments, Mr. Murray continued, “that does not mean we cannot find areas of agreement with Conservative Governments. We have done so in the past.”

Nor could a Labour Government take trade union support for granted, as the arguments over the “In Place of Strife” proposals in 1968-69, and the “discontents of the winter of 1978-79,” had illustrated. The limits of Government policies towards the unions were set by whether or not they were

acceptable to their members.

Mr. Murray issued several oblique warnings to the Government, saying that it was “no good trying to turn back clocks whose hands point inexorably to the 1980s,” that “naïve appeals to the marketplace” would not be needed; and that the Government was taking “three steps back” from a recognition of the right of unions to have their views seriously considered.

He warned unions, too, that untrammelled wage bargaining was of no greater use than a rigid pay policy; that the multiplicity of unions in collective bargaining structures should be reduced; and that they had obligations “to accept the changes which are needed to achieve the objectives which they have shared in defining.”

## Ford to cut Langley truck output

By KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

FRESH EVIDENCE that the recession is biting deeply in the UK truck industry came yesterday when Ford said it is to cut production at its Langley plant next month.

Ford will have four “down days”—non-working days—in June, representing a 10 per cent reduction in output for the month. Langley produces most of Ford's medium-weight trucks. It is the first time in the present recession that any Ford

UK assembly plant has been put on short time, although the transmission plant at Halewood, Merseyside, has already suffered short-time working this year and will be affected again when about 728 employees are laid off for a week from June 23.

Halewood makes gearboxes for Capri and Granada cars assembled at the Cologne plant and for vehicles produced in the UK. It has been hit by the

downturn in demand for some Ford products on the Continent which has been in evidence since last autumn.

The men laid off at both plants will receive 80 per cent of their normal pay.

There is better news from BL which has decided to restore output of its Maxi and Princess models at the Cowley plant to pre-December levels from June 2.

Rising stocks forced BL to re-

duce output of the models last December, but they have benefited from the group's “Buy British” campaign.

The 10 per cent price reduction on the Maxi, which will continue through summer, has also helped to lift its sales to more than double the level before the cut. Output will therefore go back up from 200 to 450 a week while Princess production goes from 400 to 450.

## IPC journalists to face lockout

By JOHN LLOYD, LABOUR CORRESPONDENT

THE International Publishing Corporation (IPC) is to lock out the 1,400 journalists employed in its magazine, business press and book publishing divisions from next Monday.

A letter sent to the journalists yesterday says that any of them entering any IPC premises next week will be deemed to be a trespasser, and that “should this letter be disregarded, you should understand that the company is going to take steps to ensure that these instructions are legally enforced.”

The company said that the intention of the letter was to make clear to its staff that they had “dismissed themselves.” IPC dismissed the journalists on April 25 after a one-day strike in support of a 28 per cent pay claim.

Since then, the journalists have attempted to work normally through publication of all IPC magazines has been suspended by the management.

Mr. John Pearson, secretary of the IPC National Union of Journalists’ group, chapel (office branch) said last night: “We are very disturbed by this latest move. The management appears to be negotiating by deadline—this seems to be a scare tactic. As far as we are concerned, we were still negotiating.”

Mr. Pearson has asked for fresh talks between management and chapel officers as

soon as possible. The chapel committee has also called a mass meeting for tomorrow of all journalists affected.

Talks between chapel officers and IPC management over the past two weeks have centred on the issue of back pay for the period in which the journalists have been dismissed.

The journalists have claimed full payment, while IPC has offered the equivalent of full pay for about half the period, with a sum covering payment for the remainder held in a joint union-management account pending a settlement of the dispute.

IPC emphasised last night that the basic issue remains that of pay. “The 28 per cent pay claim is the largest difficulty we have. If we could get agreement on that, then we would soon see a return to work.”

Most of the journalists are continuing to reject the “half-and-half” formula for back pay. Mr. Pearson said soundings taken of the various chapels in the group this week indicated that about 900 of them still insisted on full back pay, while 200 saw the management formula as a basis for further talks.

The dispute, now in its fifth week, was beginning to cause hardship among its members. The NUJ has asked members for a voluntary strike and the IPC state has run a jumble sale to raise further cash.

## Thatcher to see nurses' leaders

By Pauline Clark, Labour Staff

THE PRIME MINISTER will meet nurses' union leaders in Downing Street this morning in an attempt to end what one union described yesterday as “the worst crisis for six years” in the profession.

The talks will examine the present dispute over pay affecting 480,000 of Britain's nurses and midwives. Mr. Patrick Jenkin, Secretary for Social Services, and Mr. Gerald Vaughan, Health Minister, will also take part.

It was made clear by Downing Street, however, that Mrs. Thatcher's agreement to talks with the unions did not mean that she would become involved in negotiations.

It is only the second time that the Prime Minister has agreed to talks directly with union leaders about a labour crisis over pay.

Nurses' leaders made clear yesterday, however, that they would press hard for Mrs. Thatcher to give the go-ahead for a nurses pay rise above the 14 per cent cap limit.

Negotiations broke down on Tuesday when unions said they could no longer accept a 14 per cent ceiling following the recent 18.7 per cent pay award to doctors.

Mr. Albert Spanswick, general secretary of the Confederation of Health Service Unions—one of the leading nurses' unions—said yesterday that he welcomed the Prime Minister's “speedy response” to the unions' request for a meeting.

After a union executive meeting on the crisis, he said: “I stress we do not expect instant solutions. But we do want the Prime Minister to authorise management to reach agreement which will reflect the protection of nurses pay which she committed herself to last year.”

## Offer to Labour staff

By OUR LABOUR STAFF

STAFF at the Labour Party headquarters will today discuss a revised pay offer which their employers hope will lead to their withdrawing a threat to strike from next Monday.

The staff, who have been demanding a 32 per cent increase, have started industrial action which could lead to the cancellation of the party's special conference at Wembley on Saturday.

The management yesterday improved their offer from 20 to 22 per cent and agreed to a pay comparability exercise with TUC staff.

Earlier, about 40 angry demonstrators confronted Mr. James Callaghan, Opposition Leader, as he arrived at the party's new Walworth Road headquarters in South London for his national executive's

monthly meeting. He asked: “What's it all about?” as he was faced with placards.

The protesters included members of the Transport and General Workers Union, the Association of Professional, Executive, Clerical and Computer Staff, the National Union of Journalists and the Society of Graphical and Allied Trades.

## Airport hit by walk-out

By OUR LABOUR STAFF

CHARTER FLIGHTS from Manchester were switched to Gatwick and East Midlands airports yesterday when 80 ground workers employed by Servisair walked out on indefinite strike.

The strikers, members of the Transport and General Workers' Union, said: “We shall stay out until management agree to go to arbitration over our pay claim.”

## Musicians' strike threatens BBC

Hopes have faded of averting a strike by musicians which would silence some BBC television and radio programmes, and disrupt many others from Sunday.

This is in spite of moves to save at least two out of five BBC orchestras threatened by economy cuts.

Talks aimed at preventing the walkout resume today, but a Musicians' Union leader said last night: “We are utterly pessimistic about the outcome of the meeting.”

The union dismissed reports about offers which could save the orchestras in Scotland and Northern Ireland as “BBC propaganda.”

“The offers we have read about in fact offer no hope to either the Scottish Symphony Orchestra or the North Ireland Orchestra,” said Mr. Stan Hibbert, the union's assistant secretary. He said the union saw no alternative but to go ahead with the strike.

Mr. Hibbert said he understood there was an offer for a permanent home for the Scottish Symphony Orchestra at Sterling University, plus other facilities worth nearly £100,000 a year.

In Northern Ireland we are told that the Ulster Orchestra may increase its strength to 70 players, he said.

Mr. Hibbert said the musicians in both orchestras had seen the offers and thought they were “absurd.”

The BBC has already written to the Musicians' Union setting out its own new moves for discussion at today's talks. It said it had earmarked £100,000 a year each for Scotland, Northern Ireland and the other two regions affected by orchestra cuts — Birmingham and Manchester.

The BBC also said that if others were prepared to share the burden of music-making in those regions it would co-operate. There were clear signs that people were coming forward with offers of help.

## Wives' pay 'curbs poverty'

By OUR LABOUR STAFF

THE NUMBERS of the poor would rise considerably were it not for the contribution of married women's pay the Family Commission on the Family suggests today.

The commission, a pressure group says that present economic pressures make it difficult for many families to achieve a “generally accepted” standard of living where only one parent is working.

To achieve the relative living standards that might have been reached in the 1950s with only one parent working, families now increasingly require two wage-earners, it says.

The report says: “Many families only avoid hardship through the joint contribution of two breadwinners.”

vbkg cmfwy shrdlu cmfwgpm In particular, the woman's contribution often appears greatest where the man's wages are low. “This means that the extra wage often does no more than bring the joint household income up to an acceptable level in compensation for the low wages of one partner.”

The Commission suggests that present economic and political trends—the vulnerability to unemployment of women in an economic recession and the impact of the Government's Employment Bill on maternity and other employment rights for women—are tending to exclude women from the labour market, which will “significantly” increase family poverty.

It calls for considerable improvements in the statutory rights of working women and in the pay and conditions of industries in which women's employment is concentrated.

Low Pay and Family Poverty, by Marie McNay and Chris Pond (Study Commission on the Family, London, 80p).

## 'Blockade' at brewery

WORKERS PROTESTING over the sacking of a colleague for alleged stealing, yesterday blockaded the entrance to Whitbread's Brewery in Luton, Bedfordshire. They refused to move until electrical engineer Mr. Les Clark was reinstated.

Whitbread, which was planning High Court action to end the blockade said: “This is not a picket line. It is a blockade. These workers are trying to tell us that we cannot dismiss someone for stealing, which has always been regarded as gross industrial misconduct.”

## We started the year with \$7.7 billion worth of orders on hand. A new record for us.

The figures are impressive, by anybody's standards. But of course only our manufacturing companies report orders on hand.

At year's end, these companies had a backlog of \$7.7 billion—up 18% over the year before.

These orders reflected strong performance in almost every area of our business. What about the years to come?

As our Annual Report points out, this company has committed itself to continued profitable growth.

Which is why, for example, we devote so much to research and development.

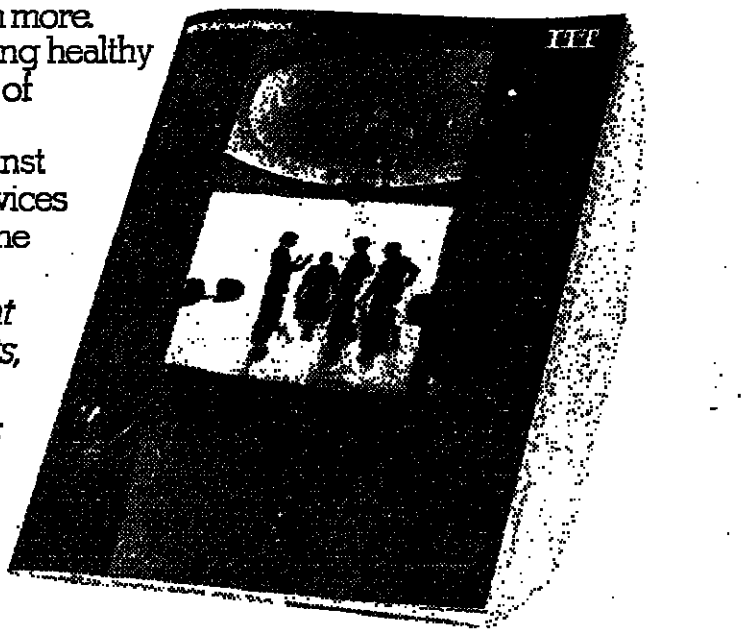
In the past five years, we've invested \$3.4 billion in research and development.

And this year, between our own and customer-funded research, we expect to spend over \$1 billion more.

The way we look at it, having healthy orders on hand is a real mark of corporate strength.

And investing heavily against tomorrow's products and services is the best way to make sure the orders keep coming.

For a more detailed look at ITT, its business and prospects, write for your complimentary copy of our Annual Report to: Department of Investor Relations, International Telephone and Telegraph Corporation, 320 Park Avenue, New York, New York 10022.



The best ideas are the ideas that help people. ITT

© 1980 International Telephone and Telegraph Corporation

## NOTICE OF REDEMPTION

## Celanese International Finance Company

6% Guaranteed Debentures Due 1982

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Fiscal Agency Agreement dated as of July 1, 1967 among Celanese International Finance Company, Celanese Corporation, as Guarantor, and The Chase Manhattan Bank (National Association), as Fiscal Agent, \$950,000 in aggregate principal amount of the above-captioned Debentures will be redeemed for the sinking fund on July 1, 1980 at the redemption price of 100% of the principal amount thereof, together with accrued interest to July 1, 1980.

The numbers of the Debentures to be redeemed are as follows:

N#1	2088	3574	4891	6912	8936	10551	12494	14344	16170	17161	17984	19207
26	2107	3584	4897	6928	8937	10578	12499	14356	16171	17169	17987	19208
31	2112	3595	4898	6931	8937	10582	12512	14362	16183	17168	17986	19209
32	2111	3596	4870	6894	8898	10580	12504	14360	16176	17166	17985	19208
152	2114	3597	4872	6897	8899	10583	12508	14372	16176	17162	17984	19206
169	2135	3598	4871	7000	8891	10585	12572	14492	16278	17187	17981	19209
209	2137	3600	4923	7004	8894	10587	12574	14494	16280	17189	17983	19211
214	2198	3603	4930	7040	8996	10590	12544	14502	16367	17214	18003	19220
217	2234	3659	4953	7174	8998	10598	12545	14521	16371	17227	18004	19222
328	2440	3853	4956	7234	9024	10596	12548	14524	16372	17228	18005	19223
547	2450	3887	5066	7282	9008	10596	12555	14530	16375	17230	18023	19227
584	2487	3891	5144	7291	9010	10597	12590	14551	16405	17250	18024	19230
615	2489	3893	5146	7294	9013	10598	12593	14554	16408	17253	18027	19233
621	2527	3935	5169	7335	9069	10593	12782	14638	16414	17264	18048	19232
660	2536	3915	5216	7336	9072	10595	12835	14669	16415	17265	18049	19233
771	2545	3917	5267	7344	9081	10597	12837	14671	16417	17267	18051	19235
673	2572	3919	5291	7375	9138	10597	12808	14784	16468	17269	18050	19235
1077	2573	3921	5341	7377	9139	10598	12810	14786	16470	17271	18052	19237
680	2604	3932	5346	7395	9178	10598	12816	14791	16475	17276	18057	19240
681	2620	3940	5350	7396	9178	10597	12819	14793	16480	17280	18061	19241
945	2623	3941	5366	7400	9182	10598	12822	14796	16483	17283	18064	19244
685	2699	3907	5428	7521	9238	10591	12831	14795	16512	17307	18030	19237
687	2700	3855	5432	7523	9240	10594	12847	14790	16515	17311	18033	19238
689	2701	3856	5433	7524	9241	10595	12848	14791	16516	17312	18034	19239
854	2705	3867	5467	7529	9245	10595	12849	14792	16519	17315	18036	19242
855	2712	3871	5480	7577	9249	10597	12850	14793	16521	17317	18038	19245
861	2718	3874	5483	7580	9251	10598	12851	14794	16522	17318	18039	19246
885	2718	3933	5544	7583	9481	10590	13326	14880	16526	17322	18042	19251
910	2720	3937	5558	7586	9524	10593	13334	14882	16527	17326	18043	19252
928	2724	3939	5562	7589	9527	10594	13335	14883	16528	17327	18044	19253
940	2735	4042	5647	7682	9688	10595	13349	14884	16533	17328	18049	19258
945	2737	4045	5657	7685	9691	10596	13350	14885	16534	17329	18050	19259
956	2739	4055	5658	7747	9769	10597	13356	14894	16537	17332	18053	19262
1010	2771	4064	5659	7758	9789	10599	13358	14896	16539	17334	18055	19264
1026	2805	4068	5662	7769	9791	10597	13371	14915	16570	17345	18061	19269
1031	2810	4070	5664	7772	9793	10598	13372	14916	16571	17346	18062	19270
1048	2833	4067	5713	7942	9881	10613	13482	14954	16581	17362	18071	19276
1050	2834	4068	5714	7943	9882	10614	13483	14955	16582	17363	18072	19277
1064	2841	4070	5738	7968	9834	10619	13587	15015	16595	17379	18085	19282
1072	2842	4078	5743	8018	9852	10620	13588	15016	16596	17380	18086	19283
1073	2843	4079	5744	8019	9853	10621	13589	15017	16597	17381	18087	19284
1077	2846	4084	5858	8054	9877	10617	13714	15020	16613	17385	18090	19288
1086	2850	4121	5874	8086	9879	10619	13644	15023	16616	17389	18093	19294
1090	2851	4122	5875	8087	9880	10620	13645	15024	16617	17390	18094	19295
1110	2858	4125	5882	8134	9896	10619	13689	15029	16621	17391	18095	19298
1111	2858	4125	5882	8134	9896	10619	13689	15029	16621	17391	18095	19298
1168	3238	4144	5915	8159	9954	10615	13785	15053	16626	17392	18096	19303
1301	2957	4185	5833	8176	9937	10617	13776	15056	16627	17393	18097	19304
1302	2957	4185	5833	8176	9937	10617	13776	15056	16627	17393	18097	19304
1322	3031	4236	5964	8196	9950	10618	13828	15057	16634	17397	18099	19306
1326	3500	4241	5965	8200	9956	10615	13844	15049	16640	17398	18099	19308
1327	3500	4241	5965	8200	9956	10615	13844	15049	16640	17398	18099	19308
1852	3216	4285	5987	8431	9981	10618	13936	15043	16649	17399	18097	19308
1853	3216	4285	5987	8431	9981	10618	13936	15043	16649	17399	18097	19308
1888	3228	4311	6101	8564	10042	10619	14118	15045	16651	17401	18100	19310
1890	3275	4354	6111	8553	10030	10618	14187	15046	16652	17402	18101	19311
1903	3304	4367	6113	8553	10034	10618	14208	15044	16651	17401	18100	19310
1919	3316	4364	6114	8554	10065	10620	14265	15048	16656	17405	18104	19314
1924	3318	4366	6116	8556	10067	10620	14267	15048	16657	17406	18105	19315
1934	3318	4417	6119	8585	10083	10623	14292	15050	16659	17410	18108	19318
1935	3319	4418	6120	8586	10084	10623	14293	15050	16660	17411	18109	19319
1938	3327	4454	6256	8667	10127	10622	14309	15052	16662	17413	18111	19321
2001	3329	4501	6268	8787	10240	10620	14368	15058	16668	17418	18116	19326
2002	3329	4501	6268	8787	10240	10620	14368	15058	16668	17418	18116	19326
2008	3415	4508	6423	8873	10248	10622	14229	15019	16680	17428	18123	19332
2009	3415	4508	6423	8873	10248	10622	14229	15019	16680	17428	18123	19332
2038	3418	4517	6485	8914	10296	10627	14341	15030	16690	17438	18133	19342
2040	3421	4585	6706	8899	10313	10631	14281	15031	16692	17438	18134	19342
2041	3421	4585	6706	8899	10313	10631	14281	15031	16692	17438	18134	19342
2050	3449	4693	6832	8882	10334	10621	14222	15021	16716	17458	18154	19362
2050	3449	4693	6832	8882	10334	10621	14222	15021	16716	17458	18154	19362
2074	3572	4892	6887	8932	10386	10540	14241	15021	16716	17458	18154	19362
2074	3572	4892	6887	8932	10386	10540	14241	15021	16716	17458	18154	19362





## SHALL BE HALF EMPTY, AND OFF YOUR MIND.

To read most estate car advertisements you'd think the roads were full of people rushing 6ft sofas from one side of the country to the other.

In fact, most estate cars are used to carry smaller, more fragile items.

Like children.

Which is why we designed the Volvo estate to be more than just a load carrier.

Each of the rear doors has a childproof lock, including the tailgate.

The passenger compartment is protected by a strong steel cage.

And instead of thin veneers of walnut on the fascia we give you thicker sheets of steel on the door.

Should you run into trouble a crumple zone at the front of the car will soak up a lot of the impact.

While if trouble runs into you there's a similar arrangement at the back.

We made the Volvo easy to drive, too.

The turning circle is only 32ft and big clear windows give you over 91% visibility.

(Our rear window also has its own wiper, washer and defroster.)

The steering is rack-and-pinion and reassuringly light.

The driving seat was designed with the help of orthopaedic specialists.

(Who better to design a good seat than the experts on bad backs?)

At Volvo we believe a comfortable driver is a safe driver and we build our cars accordingly.

There are now 5 versions of the Volvo estate, with a choice of 4 or 6 cylinder engines.

All of them will take a 6ft sofa with ease. And a 6 year old child with safety.

Please send me the 1980 edition of 'Volvo Facts.'  
To: Volvo Concessionaires Ltd., London W13 9JQ.

Name \_\_\_\_\_  
Address \_\_\_\_\_

FT19

**VOLVO. A CAR WITH STANDARDS.**



# Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## PROCESSING

### Fills vials quickly

AUTOPACK has delivered and installed the first of a new series of automatic vial filling and sealing machines to Miles Laboratories in Glamorgan.

Model 229 is aimed primarily at the pharmaceutical field and incorporates an improved, enclosed can box and drive unit which takes maximum filling rate up from 45 vials filled per minute to 60 per minute, depending on the application.

The first system is to handle liquid pharmaceuticals under sterile conditions for Miles, filling these into 2 ml vials.

Miles has been using Autopack equipment for at least the past 25 years. During that time, several advances have been made and special systems designed to suit the company's particular requirements.

An important example, which is now available as a standard option, is a special magazine feed, designed to feed unstable vials. This enables Miles personnel to load the magazine direct from the sterile trays.

By the time they reach the bottom of the magazine they are upright and ready to be fed directly into the main feed roller pockets for dosing. Vials are

supported throughout the filling operation and are discharged into a specially designed automatic stacking mechanism for packaging into a removable tray unit. This latter system too is optionally available.

Autopack, POB 2, Malvern, Worcs., WR14 1DB, 0648 61651.

### Makes peat bricks

A SMALL Danish tool company, Hosta Vaerktoj, has developed a small stationary peat presser which can be powered by a tractor to produce 25,000 to 40,000 peat bricks a day—roughly what a small household would use in a winter season.

The company has sold the first 10 machines to Ireland and it expects to export to other peat-burning countries. The current model is hand-loaded, but later models will be fitted with a conveyor belt loading system. The cost of the current model is about Kr 6,800. Address of Hosta Vaerktoj is Gøstlevvej 1, DK-9520 Hjaltebjerg, Denmark.

### Ensures right mix

UP TO 45 powdered products can be automatically weighed and fed into a manufacturing process by means of an automatic system developed by the Plant and Equipment Division of Dunlop's Engineering Group in Coventry.

The system automatically controls and weighs from a series of hoppers, to a programmed formula, any combination of product mixes with

constant accuracy, it is claimed.

Accuracy of control is achieved with the aid of an Intel micro-processor which also provides the system with a maximum programme storage capacity of up to 400 formulae.

Products which require weighing and formulating are

emptied via sack tip units into individual product hoppers each designed to give the best flow characteristics for a particular product and to ensure constant discharge from the hopper to the feeder.

After each product is individually dispensed and weighed, the control system returns the weighing equipment to zero before feeding the next product in the formulation. This procedure is repeated until the formula is complete. The product is fed either into polythene bags of varying size, or directly into a large receiving unit, capable of containing the total batch mix.

The system is stated to be particularly attractive for small volume formulations combining products that are normally difficult to handle as a result of their consistency or irregularity of structure, and where hazards to the health of plant operators might exist.

Full details of the equipment can be obtained from Dunlop at Holbrook Lane, Coventry CV6 4AA, 0203 88733.

## SAFETY

### Steel doors keep fire at bay

PROMISING EXCELLENT fire protection is a range of one-hour fire resistant single leaf, double skinned steel doors (and hatches) called the FR75 from Hormann (UK), Ashville Trading Estate, Cambridge Road, Whetstone, Leicester (LE15 3BQ).

Door comes complete with a steel corner frame which has an intumescent strip incorporated on three sides. Both door and frame are galvanised with a light grey plastic stoved primer ready for finish painting.

A lever handle latch set and lock are supplied as standard, together with a self-closing spring hinge and all fittings for installation.

Four standard sizes are available, all tested to BS476 Part 8.

## CONSTRUCTION

### New concrete flooring reduces costs

FIRST INNOVATION for quite some time in the flooring market is a method of constructing suspended concrete trough floors, announced Tinsley Building Products, Milner Street, Warrington, Lancs (Warrington 51503).

Promising to be the only "off-the-shelf" floor, it is entirely British in concept and manufacture and should save not only labour expenditure, but also significantly cut down the price of erection.

Consultant engineers and contractors are offered the method on a stock basis. There are three components: planks and

formers which are factory produced, and concrete placed at site.

Planks are GRC (glass reinforced concrete) in standard width and depth, and embodying a Twistlud girder, are grooved along the edges to take the trough formers. The Twistlud girder is either manually or mechanically handled and serves to stiffen the planks to allow propping at minimum two-metre intervals. The girder also ensures mechanical bond between the GRC and in situ concrete.

The planks are produced in

standard lengths of 7, 8, 9, 10, 11 and 12 metres, held in stock by Pilkington Bros' subsidiary, Glass Reinforced Concrete, and can be cut to any length required either at the works or on site.

The GRC formers are 450 mm wide to give plank centres of 600 mm and 200, 250, 325 or 400 mm deep which, within in situ toppings ranging from 50 to 150 mm, give a variety of floor depths from 250 to 550 mm in 25 mm increments.

Formers are in standard lengths of 1,200 mm and half-lengths of 600 mm, and stop end

units, cross-rib units and tray units are also available from stock. The formers are so designed that when located in the plank groove a smooth soffit without "steps" is presented.

In situ concrete completes the floor and site work is easy and quick, says the company. Unlike in situ or precast concrete sections, the GRC units provide such a smooth final appearance that, dependent on the application, decoration may in a be necessary. Suspended ceilings can, if desired, be readily incorporated.

DEBORAH PICKERING

## SHIPPING

### Recovering oil from sunk tanker

THE FRENCH Government has appointed International Diving Company, Comex, to retrieve 13,000 tons of fuel from the tanker "Tania" which is lying off the Brittany coast in 94 metres of water.

Working from an adynamically positioned (DP) diving support vessel, the company's divers will use ultrasonic devices to precisely locate the 13 compartments containing oil in the overturned hull.

A specially designed articulated column, suitable for water depths from 250 to 1,200 metres, will be anchored close to the

tanker's hull on a gravity base and will constitute a single point mooring for a 25,000 tons recovery tanker. This will also be used as a base for hot water lines and an upward emulsified oil recovery line. All these lines will be bottom connected by the divers.

Because of low temperature on the sea bed, the trapped fuel will require to be heated prior to being pumped out, and this will be achieved by the injection of hot water into each compartment via previously drilled tapings in the hull. The emulsified oil-water mixture will then be lifted through the

tappings and flexible hoses to the recovery tanker.

Following completion of the subsea connections, the entire recovery operation will be monitored from the recovery tanker.

Automatic shut-off valves have been provided for fast disconnection in the event of weather exceeding the mooring limits.

The recovery project is expected to be completed by September says Comex Headquarter Diving, Buckburn House, Howes Road, Buckburn, Aberdeen (0224 71401).

## MATERIALS

### Coating protects steelwork

A HIGH LEVEL of protection for steelwork comes from a system based on a two-pack combination—single pack zinc-rich primer, plus one single pack top coat—says Polymer Products, of Falmouth, Cornwall.

When combined, they give particularly good adhesion to a steel surface, achieved by a cold galvanising action and by intercoat fusion between the coats.

Finish dries to give a smooth and abrasion-resistant surface yet remains sufficiently flexible to retain its adhesion during

impact deformations of the substrate or thermal expansion.

Thermoplastic is said to give protection also against water immersion and humidity. Maker claims it has outstanding performance, too, against salt spray and most industrial environments.

Application is by brush, roller or standard sprays, without special operator precautions, and the product has indefinite shelf life. There is no critical time for recoating, and new coats will fuse with the old.

The company offers a similar

Thermoplastic paint system for coating concrete surfaces which uses a matt primer and gloss top coat. This is regarded as particularly suitable for use in abattoirs, dairies, and premises where there are statutory hygiene standards.

### Results in a better concrete

A NEW high-performance concrete plasticiser called Complast 337 has been put on the market by Fosroc Construction Chemicals.

The company claims that the product will enable production of a highly workable concrete without loss of strength. When added to a mix it causes dispersal of the cement particles and obviates a tendency to agglomerate.

Faster construction times are said to be possible with improved quality. A denser, close-textured concrete is produced with improved durability and surface finish. Full details can be obtained from the company at Vimy Road, Leighton Buzzard, Beds. (0525 373773.)

### Pallet loads wrapped easily

MATERIALS HANDLING charges need to be kept as low as possible, since rising labour and material costs reflect narrowing profit margins throughout industry, says Lawco, 80, Vauxhall Road, Liverpool (051-227 1212).

The company has introduced its new PTH spiral stretchwrapping machine which wraps a continuous succession of pallets five times as fast as manual stretchwrapping, and with only a fraction of effort.

Machine ensures that a constant throughput of pallet loads is quickly and efficiently secured with just the right amount of high tack, strong, polythene stretchwrapping with no expensive wastage.

## COMPONENTS

### Digital time clocks

THE DAYS of the electro-mechanical heating control time-driven by a synchronous motor switch in which a rotating disc actuates a switch by means of adjustable protrusions round the periphery seem to be numbered in view of an announcement from Honeywell about an electronic unit with liquid crystal display.

Known as the ST range, these units do away with the rather fiddling setting arrangements and reduce everything to button pressing. Only four inches square, they have a large LCD time display panel under which are situated time setting controls for one or two on-off cycles: the user simply slides the "time set" control to the on and off positions, setting the time for each using the display and a fast-slow inching control.

There are three variants. The ST 699A has only one controlled output (combined heating and hot water) while the 499A has separate outputs. To put the range model is the 699B which has two outputs and changeover switching for use where motorised valves have to be powered open and shut.

A convenient advantage is that the time taken setting the unit does not affect accuracy of action because the time keeping function is handled in the custom integrated circuit employed.

Any on or off state can be overridden by using a separate button on the front panel. Normally the display shows the time of day, but the slider can always be up to any on or off position to check actuation times.

ST units are being made at the Honeywell factory in Scotland and were also designed there. Prices are expected to be competitive with currently available electromechanical devices.

Honeywell Control Systems is at Charles Square, Bracknell, Berkshire (0344 24555).

Range of collators is from eight to 50 bins.

Operator has fingertip command over the collator's functions from a compact control panel.

Machine is said to contain an exclusive programmer which is colour coded for set-up speed and accuracy. With the aid of this, an operator can skip bins where necessary, and double progress for overstock, in addition to programming for multiple sets per cycle on small sheet jobs.

An automatic lowering stacker can be used together with a dual-head automatic stitcher which can be used separately or in tandem with the company's automatic folder to enable booklet-making in one continuous operation. Both stitcher and folder may be used off-line.

Operator has fingertip command over the collator's functions from a compact control panel.

Range of collators is from eight to 50 bins.

Machine is said to contain an exclusive programmer which is colour coded for set-up speed and accuracy. With the aid of this, an operator can skip bins where necessary, and double progress for overstock, in addition to programming for multiple sets per cycle on small sheet jobs.

An automatic lowering stacker can be used together with a dual-head automatic stitcher which can be used separately or in tandem with the company's automatic folder to enable booklet-making in one continuous operation. Both stitcher and folder may be used off-line.

Operator has fingertip command over the collator's functions from a compact control panel.

Range of collators is from eight to 50 bins.

Machine is said to contain an exclusive programmer which is colour coded for set-up speed and accuracy. With the aid of this, an operator can skip bins where necessary, and double progress for overstock, in addition to programming for multiple sets per cycle on small sheet jobs.

An automatic lowering stacker can be used together with a dual-head automatic stitcher which can be used separately or in tandem with the company's automatic folder to enable booklet-making in one continuous operation. Both stitcher and folder may be used off-line.

Operator has fingertip command over the collator's functions from a compact control panel.

Range of collators is from eight to 50 bins.

Machine is said to contain an exclusive programmer which is colour coded for set-up speed and accuracy. With the aid of this, an operator can skip bins where necessary, and double progress for overstock, in addition to programming for multiple sets per cycle on small sheet jobs.

An automatic lowering stacker can be used together with a dual-head automatic stitcher which can be used separately or in tandem with the company's automatic folder to enable booklet-making in one continuous operation. Both stitcher and folder may be used off-line.

Operator has fingertip command over the collator's functions from a compact control panel.

Range of collators is from eight to 50 bins.

Machine is said to contain an exclusive programmer which is colour coded for set-up speed and accuracy. With the aid of this, an operator can skip bins where necessary, and double progress for overstock, in addition to programming for multiple sets per cycle on small sheet jobs.

An automatic lowering stacker can be used together with a dual-head automatic stitcher which can be used separately or in tandem with the company's automatic folder to enable booklet-making in one continuous operation. Both stitcher and folder may be used off-line.

Operator has fingertip command over the collator's functions from a compact control panel.

Range of collators is from eight to 50 bins.

Machine is said to contain an exclusive programmer which is colour coded for set-up speed and accuracy. With the aid of this, an operator can skip bins where necessary, and double progress for overstock, in addition to programming for multiple sets per cycle on small sheet jobs.

An automatic lowering stacker can be used together with a dual-head automatic stitcher which can be used separately or in tandem with the company's automatic folder to enable booklet-making in one continuous operation. Both stitcher and folder may be used off-line.

Operator has fingertip command over the collator's functions from a compact control panel.

Range of collators is from eight to 50 bins.

Machine is said to contain an exclusive programmer which is colour coded for set-up speed and accuracy. With the aid of this, an operator can skip bins where necessary, and double progress for overstock, in addition to programming for multiple sets per cycle on small sheet jobs.

An automatic lowering stacker can be used together with a dual-head automatic stitcher which can be used separately or in tandem with the company's automatic folder to enable booklet-making in one continuous operation. Both stitcher and folder may be used off-line.

Operator has fingertip command over the collator's functions from a compact control panel.

Range of collators is from eight to 50 bins.

Machine is said to contain an exclusive programmer which is colour coded for set-up speed and accuracy. With the aid of this, an operator can skip bins where necessary, and double progress for overstock, in addition to programming for multiple sets per cycle on small sheet jobs.

An automatic lowering stacker can be used together with a dual-head automatic stitcher which can be used separately or in tandem with the company's automatic folder to enable booklet-making in one continuous operation. Both stitcher and folder may be used off-line.

Operator has fingertip command over the collator's functions from a compact control panel.

Range of collators is from eight to 50 bins.

Machine is said to contain an exclusive programmer which is colour coded for set-up speed and accuracy. With the aid of this, an operator can skip bins where necessary, and double progress for overstock, in addition to programming for multiple sets per cycle on small sheet jobs.

An automatic lowering stacker can be used together with a dual-head automatic stitcher which can be used separately or in tandem with the company's automatic folder to enable booklet-making in one continuous operation. Both stitcher and folder may be used off-line.

Operator has fingertip command over the collator's functions from a compact control panel.

Range of collators is from eight to 50 bins.

Machine is said to contain an exclusive programmer which is colour coded for set-up speed and accuracy. With the aid of this, an operator can skip bins where necessary, and double progress for overstock, in addition to programming for multiple sets per cycle on small sheet jobs.

An automatic lowering stacker can be used together with a dual-head automatic stitcher which can be used separately or in tandem with the company's automatic folder to enable booklet-making in one continuous operation. Both stitcher and folder may be used off-line.

Operator has fingertip command over the collator's functions from a compact control panel.

Range of collators is from eight to 50 bins.

Machine is said to contain an exclusive programmer which is colour coded for set-up speed and accuracy. With the aid of this, an operator can skip bins where necessary, and double progress for overstock, in addition to programming for multiple sets per cycle on small sheet jobs.

An automatic lowering stacker can be used together with a dual-head automatic stitcher which can be used separately or in tandem with the company's automatic folder to enable booklet-making in one continuous operation. Both stitcher and folder may be used off-line.

Operator has fingertip command over the collator's functions from a compact control panel.

Range of collators is from eight to 50 bins.

Machine is said to contain an exclusive programmer which is colour coded for set-up speed and accuracy. With the aid of this, an operator can skip bins where necessary, and double progress for overstock, in addition to programming for multiple sets per cycle on small sheet jobs.

An automatic lowering stacker can be used together with a dual-head automatic stitcher which can be used separately or in tandem with the company's automatic folder to enable booklet-making in one continuous operation. Both stitcher and folder may be used off-line.

Operator has fingertip command over the collator's functions from a compact control panel.

Range of collators is from eight to 50 bins.

Machine is said to contain an exclusive programmer which is colour coded for set-up speed and accuracy. With the aid of this, an operator can skip bins where necessary, and double progress for overstock, in addition to programming for multiple sets per cycle on small sheet jobs.

An automatic lowering stacker can be used together with a dual-head automatic stitcher which can be used separately or in tandem with the company's automatic folder to enable booklet-making in one continuous operation. Both stitcher and folder may be used off-line.

Operator has fingertip command over the collator's functions from a compact control panel.

Range of collators is from eight to 50 bins.

Machine is said to contain an exclusive programmer which is colour coded for set-up speed and accuracy. With the aid of this, an operator can skip bins where necessary, and double progress for overstock, in addition to programming for multiple sets per cycle on small sheet jobs.

An automatic lowering stacker can be used together with a dual-head automatic stitcher which can be used separately or in tandem with the company's automatic folder to enable booklet-making in one continuous operation. Both stitcher and folder may be used off-line.

Operator has fingertip command over the collator's functions from a compact control panel.

Range of collators is from eight to 50 bins.

### CLIPPER CLASS.

Pan Am's unique Clipper Class: that's the good news for all international travellers.



What is it? It's a special section created especially with the comfort of business travellers in mind. You see, we believe that business travellers deserve a lot of extra attention when they fly. And a lot of extra "extras" too.

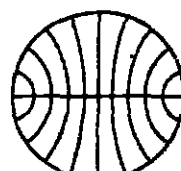
So, in Clipper Class, we give every passenger a great choice. A choice of main courses with every meal. A choice of drinks on the house. That's cocktails, champagne and wines. Then there's free headsets, slipper socks, and even a free seat next to you whenever possible.

And Pan Am also gives you extra care on the ground. With special check-in service and a First Class baggage allowance.

So the next time you're flying to America, talk to your Travel Agent about Clipper Class. Because when you travel on business, you could probably use our kind of good news.



We fly the world the way the world wants to fly.



PAN AM

## NOTICE OF REDEMPTION

To the Holders of

### Continental Oil International Finance Corporation

(now Conoco Inc.)

9 1/2% Guaranteed Debentures Due 1985

Issued under Indenture dated as of July 1, 1970, as supplemented

NOTICE IS HEREBY GIVEN that pursuant to the provisions of the above-mentioned Indenture, \$83,000 principal amount of the above-described Debentures have been selected for redemption on July 1, 1980, through the operation of the Sinking Fund, at the principal amount thereof, together with accrued interest to said date, each in the denomination of \$1,000 bearing serial numbers with the prefix letter "M" as follows:

Outstanding Debentures bearing serial numbers ending in any of the following two digits:

01 15 19 23 27 31 35 39 43 47 51 55 59 63 67 71 75 79 83 87 91 95 99

Also Debentures bearing the following serial numbers:

2778 4078 5878 8478 9178 12278 13978 15778 16578 18578 20478 23678

2978 4478 7278 8278 10778 12578 14178 15978 16778 18778 20578 23778

3078 5078 5278 8778 11778 12778 14778 16778 18778 20778 22778 24778

On July 1, 1980, the Debentures designated above will become due and payable in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debt, said Debentures will be paid, upon presentation and surrender thereof with all coupons appertaining thereto maturing after the redemption date, at the option of the holder either (a) at the corporate trust office of Morgan Guaranty Trust Company of New York, 13th Floor, 30 West Broadway, New York, New York 10013, or (b) at the main offices of Morgan Guaranty Trust Company in London, 15 Abchurch Lane, London, E.C. 4, or in Zurich, or Credit Foncière S.A. in Milan or in Rome, or Bank Mees & Hope N.V. in Amsterdam, or Banque Internationale à Luxembourg S.A. in Luxembourg. Coupons due July 1, 1980 shall be detached and collected in the usual manner. Payment at the offices referred to in (b) above will be made by check drawn on a dollar account, or by a transfer to a dollar account maintained by the payee, with New York City bank.

On and after July 1, 1980, interest shall cease to accrue on the Debentures herein designated for redemption.

Dated: May 29, 1980

CONOCO INC.

## NOTICE

The following Debentures previously called for redemption have not as yet been presented for payment:

M 3 55 1048 1980 2232 2937 3421 4431 5704 8336 13063 14327 15735 17935 20525 21340 23387  
5 55 1085 1913 2732 3025 3424 4402 5017 5284 12004 14374 15703 17929 20603 21860 23388  
7 73 1107 2106 2241 3115 3504 4473 4925 19173 13029 14337 16255 18421 20884 22171 23416  
17 175 1125 2200 2284 3104 3548 4483 5425 12295 13128 14360 16271 18424 20886 22242 23423  
27 215 1211 2111 4602 4680 5218 5402 6080 12114 12318 14458 16272 18525 20892 22243 23424  
43 974 1132 2225 2331 3407 4426 4720 5603 12313 13382 15178 16474 20197 21875 23262 23429  
81 1025 1135 2231 2550 3414 4429 4965 6604 12935 13383 15658 16475 20306 21



## THE MARKETING SCENE

## THE TOBACCO CONTROVERSY

## A defence of cigarette advertising

AT A time when the subject of cigarette advertising is being vigorously debated by the tobacco industry and by the Government, when the arguments for and against a total ban on cigarette advertising have been widely discussed, when premature deaths said to have been caused by cigarette smoking are claimed to be around 50,000 per annum; when the Health Minister's Parliamentary Secretary is said to have remarked that "every cigarette means five minutes off your life expectancy"; and the Prime Minister herself is known to be anxious about smoking and health—at such a time it might be thought ill-advised for any advertising agency to be publicly associated with the launch of a new cigarette.

The arguments against cigarette advertising are well known and do not need repeating, but the main one, that advertising encourages people to smoke, deserves closer examination.

In the view of some, it has already been largely disproved by a recent study by an independent research company, Metra Consulting, in which it was established that, over a period of 20 years, no direct correlation could be found between the total volume of cigarette advertising and total cigarette consumption.

It has also been disproved by the example of Italy, where a total ban on cigarette advertising has been in existence since 1962, and where sales of cigarettes have since doubled. Further evidence of the same kind comes from Finland and Singapore, where cigarette consumption has increased despite the stoppage of cigarette advertising.

But does one really need evidence of this kind to be persuaded that cigarette advertising does not encourage people to smoke? I suggest that one has only to study the British Code of Advertising Practice relating to cigarette advertising and that one has only to look at cigarette advertisements in the media today, to be convinced that the argument is a specious one.

The code of practice specifies

At a time when the Government and tobacco industry are negotiating a new voluntary agreement on cigarette advertising. BAT has announced the launch of a major new brand, du Maurier King Size. Ronnie Kirkwood, chairman of the agency involved, explains why The Kirkwood Company felt able to undertake the launch.

ally forbids advertising that encourages people to start smoking or to smoke more; that glamorises smoking; that makes any kind of health claim; that depicts athletic sports or famous personalities, or that has "special appeal to the young."

The cigarette advertising that we see today bears testimony to the rigorous discipline with which the code is administered, and those of us who are involved in the marketing of cigarettes know only too well how difficult it is to create advertising that is interesting and pleasing. Since cigarette advertisements have not been allowed to show people enjoying the act of smoking, or offering cigarettes to other

consist of a picture of the pack with perhaps a carefully chosen accessory in the background and an equally well chosen but bland and meaningless set of words referring to flavour and tobacco quality.

How can anyone other than a person of unyielding prejudice believe that advertising of this kind is capable of persuading people to start smoking or indeed to smoke more heavily?

People start to smoke for all kinds of reasons, but the most basic reason must surely be that it has always been an acceptable thing to do. Young people are influenced by the behaviour of their parents and elders, and of their own peer groups when they leave school and go to work.

Putting a stop to cigarette advertising would not alter this situation in any respect. A severe increase in the price of cigarettes would probably (as the Metra report indicated) have greater effect—but what Government is going to risk the wrath of electorate of which 20m smokers form a very important part? The only politically acceptable way of persuading people not to smoke must be, as Sir George Young, Under-Secretary at the Department of Health, has said, "to create an environment in which non-smoking is the norm, and smoking is unusual."

That might be achieved by an increase of non-smoking zones leading to an eventual total ban on smoking in public places, but it is unlikely to be assisted by the absence of advertisements for cigarette brands, just as it is unlikely to be inhibited by their continued presence.

The arguments in favour of cigarette advertising are also well known, but are not articulated as frequently or as loudly as the contra-arguments.

The most fundamental argument, and the one that successive Governments have had most difficulty in coming to grips with, is that of freedom of choice. The argument is in two parts.

The first is that once people have received a Government warning that cigarettes can seriously damage health, they must nevertheless continue to enjoy the right to choose to smoke or not to, just as they must enjoy the right to decide

for themselves whether or not to drink large amounts of alcohol, eat large amounts of confectionery and animal fats, drive too fast or neglect to fasten their safety belts, to lead a totally sedentary life or take infrequent but violent exercise—all of which are widely regarded as damaging to health.

The second part of the argument is that, so long as the manufacture and sale of cigarettes remains a legal practice, the public must have the right to choose between brands and therefore needs information on availability, price, tar levels, quality and so on in order to make its choice. From this flows the subsidiary argument that tobacco companies must have the right to advertise their products, provided they do so responsibly and with due regard for the advertising code of practice.

Attention has been drawn to the benefits to be gained from cigarette advertising in terms of its ability to direct smokers to filter and lower-tar brands, and evidence has been produced to show that, in countries where they may be freely advertised, filter and low-tar brands predominate, whereas in countries where advertising is not allowed they account for a minority of the markets. The beneficial effect of cigarette advertising in this context is most vividly demonstrated by West Germany where, over a 20-year period, tar and nicotine consumption was reduced by over 50 per cent.

There are, of course, other arguments sometimes put forward in defence of cigarette advertising—the fact that export earnings from British-made cigarettes are worth £300m annually, for example; that the sale of cigarettes in Britain contributes an annual £2.5bn to the Exchequer; and that 40,000 jobs are dependent on the continued viability of the tobacco industry, not to mention the livelihoods of goodness how many small shopkeepers. But these arguments seem shallow in the extreme in the face of the statistics produced by the Department of Health relating to premature deaths and preventable disease thought to have been brought about by cigarette smoking.

In the face of such statistics, there is only one argument in favour of cigarette advertising that bears serious examination, and that is the one that argues for freedom of choice.

But how much credence can be attached to the figures and the conclusions that have been drawn from them? It would appear that there is a statistical correlation between smoking and disease but, so far as I know, there is no firm evidence of a direct causal link. Nor, so far as I know, have the psychological advantages of smoking been subjected to the same degree of statistical analysis and weighed in the balance against the more physical

advantages of not smoking—perhaps they should?

To recapitulate, if I feel relaxed about my agency handling the launch of a new cigarette, it is because:

● I am absolutely convinced that cigarette advertising in the form in which we know it today is incapable of persuading a non-smoker to start smoking or a light smoker to become a heavy smoker.

● I believe that cigarette advertising can be beneficial in directing the smoker's attention to lower tar brands.

● I believe that cigarette smoking can deliver important psychological benefits which should be weighed in the balance against a statistical risk to physical health, in which connection, the Government's recently announced new national survey of attitudes towards smoking is to be warmly welcomed.

● I am committed to the principle of freedom of choice and believe that, having been warned of the possible consequences, people should be allowed to decide for themselves whether or not to smoke, and should be offered a wide range of competing brands from which to choose.

● The honourable intention of the Commission is to give the European Community a human face, but its main consequence is to give the Community a bad name. There is a need early to rethink the purposes and limits of harmonisation in the consumer field.

Generally, he said, it would be wiser for the Commission to stick to the precept of harmonisation of objectives, but flexibility over means.

## McDonalds picks Masius, plans 100 stores by '82

McDONALD'S colonisation of UK eating habits is gathering pace. The U.S. fast-service chain already operates 40 outlets—39 of which are in the London television area. It opened its first, in Woolwich, in October, 1974, plans 55 by the end of 1980, 100 in approximately two years' time, and "several hundred" eventually.

This week it hired itself a new advertising agency, D'Arcy-MacMannus and Masius, for whom the gain represents a coup. McDonalds is likely

to spend £1.5m on advertising this year, but the budget will swell as the market expands and as rivals like Wimpy, Kentucky Fried Chicken, Wendy Hamburgers, Huckleberrys, Tramps and Burger Queen pitch in.

In the U.S., 40 per cent of money spent on food is spent on restaurants or take-away: in the UK, the equivalent figure is an estimated 12 per cent, but growing.

Later this year, McDonalds will expand into the Midlands.

The account gain is an important one for Masius, which a year ago pitched for, but lost, the Kentucky Fried Chicken business. It won McDonalds, says the client, because of its broad retail and packaged goods experience, and the calibre of the account team.

Says Masius: "The market will grow enormously. Fast-service food chains will do for the advertising business what the retail sector did 12 years ago." The account was formerly with Colman's.

## EEC Commission 'dissipating its energies'—Lord Thomson

LORD THOMSON of Monifeith hit a row of nails firmly on the head in the Advertising Standards Authority's annual report, published this week. Now at the end of a three-year stint as ASA chairman—the is chairman-designate of the Independent Broadcasting Authority—Lord Thomson was one of Britain's first EEC Commissioners, and it was the Commission and its draft directive on advertising controls that drew his fire this week.

## Over-zealous

He said the Commission was being over-zealous, and that it was folly to try to run people's daily lives from Brussels. The directive was a threat to the British system of statutory advertising control and self-regulation, and raised the wider issue "of whether national systems of consumer protection should be harmonised into a neat and tidy Community system."

Lord Thomson said the EEC ought not to be dissipating its energies by trying to ensure that advertisements from Greenland to Sicily conformed to the same framework of control.

"The honourable intention of the Commission is to give the European Community a human face, but its main consequence is to give the Community a bad name. There is a need early to rethink the purposes and limits of harmonisation in the consumer field."

Generally, he said, it would be wiser for the Commission to

stick to the precept of harmonisation of objectives, but flexibility over means.

Lord Thomson agreed that it was right for the Commission to seek consent on a common aim of preventing misleading and unfair advertising.

A long time ago, saving everybody a great deal of time, trouble and expense, if it had been content to leave the means of achieving this goal to national administrations.

"Instead of struggling for years in the impossible task of fitting idiosyncratic national habits into a Community straitjacket, the European Commission should encourage each country to adopt and adapt the best ideas of their neighbours by a vigorous Community campaign of comparative consumer information."

"The European Commission is ideally placed to be an information broker in fields too remote from the grand economic and political strategy of the Community to require the treatment of directives or regulation," he said.

## Pigeon-holed

The draft advertising directive on advertising was a typical example of hundreds of proposals either "gathering dust in the pigeon-holes of the Council of Ministers or stuck in endless working parties."

While the EEC tried to sort out the proposed directive, the

ASA could continue to make progress with its own contribution to British advertising standards, "reassured by Consumer Affairs Minister Mrs. Selly Oppenheim that Britain is not ready to agree to any directive that would undermine the role of the self-regulatory elements of the British system."

As far as the ASA was concerned, 1980 marked the beginning of a new chapter, the aim being to develop the more positive sides of the ASA's work while maintaining the complaints machinery.

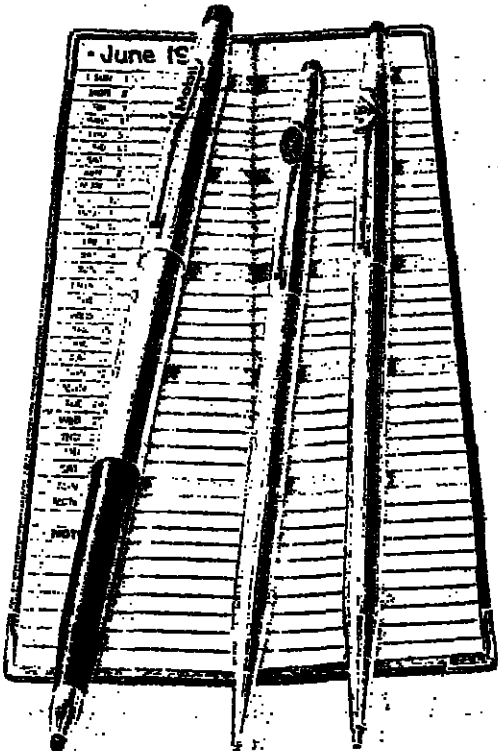
"The ASA has accordingly been developing steadily its monitoring services under which it examines sensitive areas of advertising—such as children or alcohol—to test whether they are conforming to the code."

## Poor taste

Poor taste and offensiveness accounted for 14 per cent of complaints the ASA received last year, and nearly half of those concerned sexism, it says in its report.

Most of the 3,367 complaints were about holidays, travel, cars and car accessories; 64.5 per cent of the 998 investigated were upheld wholly or in part. But the ASA says that over the last three years, the number of complaints received, and that needed to be investigated, had fallen year by year.

It credits this to greater awareness of the Code of Advertising Practice.



## The perfect business gift.

Cross writing instruments are recognised the world over as the finest money can buy. As prestigious corporate gifts, awards or incentives they create the goodwill that is good business.

Cross writing instruments can be personally engraved. They can also carry your corporate emblem. Available in lustrous chrome, rolled gold, sterling silver or solid gold, every Cross writing instrument is mechanically guaranteed for a lifetime.

For further information contact:  
A.T. CROSS (U.K.) LTD.,  
Concorde House, Concorde St, Luton  
LU2 0JD Bedfordshire.  
Tel: (0582) 422793.

**CROSS**  
SINCE 1846

## HOW TO HANDLE YOUR TAX INSPECTOR IN THE MIDDLE OF THE ATLANTIC.

Tax, expansion abroad, negotiating, public speaking, your management people could come back brilliantly informed from the 13-day 'Businessman's Survival Kit' seminar/cruise to Madeira and the Canaries leaving London this November 27th on the Fred. Olsen Lines superb Black Watch.

With their partners equally entertained and the whole exercise, from £490 to £1280 per person, quite possibly tax deductible, it could be not at all a bad investment.

Ring Stephen Moore for details on 01-437 9888.

**Fred. Olsen Cruises**

229 Regent Street, London W1R 6AE



**Biman**  
AIRLINES OF BANGLADESH

We are looking for a Boeing 707-320c on wet or dry lease to use immediately. Please contact Mr. A. H. Salah-Uddin with quotations as soon as possible.

We also have a damaged B707-320c Reg. NBR52-ABQ presently at Singapore International Airport hangar. We are offering it for sale as it stands. If interested please contact the above at: 9 Vigo Street, London W1X 1AL. 01-439 0364

## SITTING ON YOUR POTENTIAL ONLY FLATTENS YOUR ASSETS

Five years ago a client invested £4 million in a development programme. The return to date is £12.5 million.

Do you want your organisation or business to be more effective, profitable and efficient? Do you want to improve the performance and attitudes of your management and staff?

If so, you would find it profitable to discuss planned change and development with an experienced consultant — without obligation.

WHY NOT GIVE US A RING 0703 85621

No job too big — or too small. Our services are available

PAYMENT BY RESULTS or at a standard fee

WARDLE & WARDLE MANAGEMENT & PERSONNEL SERVICES LTD.

37 University Road, Southampton Harbourside SO2 7TL

## FLY P&amp;O JET FERRIES FROM TOWER BRIDGE. THE AIRPORT TO OSTEND.

Flying from the British and Foreign Wharf near Tower Bridge on P&O's Jetfoil, you're in Ostend in just 3½ hours. At an exhilarating 50mph.

There are three departures a day so the Continent's right at your fingertips. Fly P&O Jetfoil. Like you've never flown before.

London Departure Times: 0815 1230 1730  
Ostend Departure Times: 0845 1400 1800  
(local time)

For an immediate reservation or a brochure contact your Travel Agent or ring

01-486 0461

**P&O Jet Ferries**  
PLANE SAILING

"We assume that the professional readers will read the F.T. anyway. Our job is to act as a commando unit, swooping in on the soft underbelly of the F.T. Our weapons are our speed and intelligence."

HAMISH McRAE  
FINANCIAL JOURNALIST OF THE YEAR

**THE GUARDIAN**  
Newspaper of the Year.



## JOBS COLUMN, APPOINTMENTS

## Progressive mania of prejudiced recruiting

BY MICHAEL DIXON

THE CUTTING from the FT is now a paler shade of pink. I kept it because I had just been appointed by another paper to write about the human side of management which was then seething over two main issues.

One was the loss to the United Kingdom of young, expensively educated scientists and technologists through the "brain drain," mostly to the United States.

The other was something which many commentators argued to be a more serious drain of the UK's economically productive ability. It was the practice, which had suddenly come into public view in train of an outbreak of big-company mergers, of throwing out of work large numbers of experienced managers of 45 years old and more. In discussing this topic, the cutting — of an article by a consultant called Hugo de Chassiron — makes a striking point.

"... age alone is the poorest guide to ability, personality, character, professional knowledge, or even health. I have met burned out men of 37, and energetic youngsters of over 50."

That statement immediately rang true in my experience even though, as I cut out the article, I was a mere 35 years of age. The date was August 9 1987.

Today, some things have

changed. Hugo de Chassiron is dead, although the consultancy he founded, Charles Martin Associates, lives on. The brain drain has for long been virtually stopped, and recruiters in the UK face little external competition for young British scientists and engineers. Yet it is still said even from the pinnacles of punditry that our employers fail to use and value such people adequately, which to my mind is partly because despite their high-level education, those people generally lack the skills really needed and valued by profit-dependent industry and commerce.

Be that as it may, however, one thing certainly has not changed. The scrapping by employers of managers and specialists aged 45 and older continues apace, and must now be at least as extensive as ever before, if this column's correspondence is a reliable guide.

Most of the dignified, but anxious self-descriptions arriving endorse not only Hugo de Chassiron's point about age, but also comments I have heard from several "executive counselors" that redundancy among managerial types cannot objectively be associated with incompetence. Indeed, had I been told as a clerk of one sort or another during the 1950s that my bosses had career records like some of those reaching me, my response would have been the Duke of Wellington's: "I don't know what effect these

men will have on the enemy but, by God, they terrify me!"

Nobody could write a column like this for 7½ years and remain terrified of top managers, of course. But the career records generally still impress me, and sometimes when I am talking to a headhunter about a job offer which seems suitable, I say that I have heard from a person who could well fill the bill. What happens next is almost always the same.

"Redundant?" asks the headhunter, then: "How old?" "45m..." Well, it's a pity, but by client has to come first, and he wouldn't exactly give me a medal if I put forward candidates who were unemployed, especially at that age."

## Senseless

Now, let's be clear what I am railing against. It is not organisations which shed older managers and specialists. There can be valid reasons for doing so. Nor would I denounce headhunters for following the firmly expressed wishes of clients provided that these are lawful.

My complaint is purely against would-be employers who refuse even to consider as candidates people who, however well qualified, are either above a certain age or currently unemployed, or both. There can surely be no valid reasons for that.

I doubt that even those who hold the attitude would be chuckle-headed enough to argue

that anything can be sensibly inferred from the fact that someone is unemployed, without further inquiry into the reasons for the unemployment.

Where age is concerned, the fact that an older person has less time left to devote to the organisation, is cancelled by the fact that a younger person is far more likely to be up and off to work for someone else. The argument that older people are bound to have run out of productive steam can be answered by example. Sir Henry Royce did not start designing engines until he was 55, and designed those which won the land and sea records between the ages of 65 and 70. Cromwell was 55 when he headed the Parliamentary revolution. Lord Roberts was 70 when he took command in South Africa. Adenauer led West Germany at 86. There are plenty of other instances.

True, some employers make such stipulations in order to squeeze themselves into organisational constraints such as career-progression plans, dreamed up by peculiar branch of computerised astrology called manpower planning. No doubt a bit of manpower planning can help if taken lightly and with a pinch of salt. But any recruiter who has swallowed it to the extent of preferring narrow conformity with little clusters of age, educational and other "parameters" inked on charts by personnel boffins, to the wider

chance of engaging real people with proven ability, is plainly addicted to a point where he or she can no longer be regarded as sane.

Indeed, the addiction can easily advance into an incurable pathology whose victims become obsessed with inventing improved designs of organisation, and then also inventing the improved people needed to staff them. Fortunately, since the symptoms are clear and the victims so far few, we have been able to identify them quickly and lock them up in universities. But if addition to manpower planning were allowed to become general, then the whole lot of us could soon be really up to the imaginary organisational tree, and without our climbing irons to boot.

There is, however, a danger that threatens us more pressingly unless employers freely rid themselves of the purblind prejudices against older, and unemployed applicants for jobs. This danger is from another kind of progressive mania which seeks to suppress prejudices by legislation. It is progressive simply because the features which can be used to differentiate one human being from another, are virtually countless. Statutorily reducing discrimination by some of these features, inevitably has the effect of increasing discrimination by others which thus become seen as equally suitable cases for the legal treatment.

So far the UK has confined the spread to the features of race and of sex. But make no mistake: if employers cannot soon achieve rational recruitment by an act of will, there is bound to be a recrudescence. Age-discrimination is already legally banned in the United States, Canada, Finland, France, Israel and Mexico. Others apparently following suit include Australia, Norway, Sweden, West Germany, and the Netherlands which is considering outlawing discrimination against unemployed people as well.

There are but two choices. One is for employers to cure themselves of the daftness of depriving their organisations of first-rate recruits by inappropriately discriminating on grounds of age, joblessness or any other politically visible feature. Otherwise the daftness will continue in another guise, possibly for ever.

Each anti-discrimination law breeds a budget of bureaucrats to administer and police it, and a potential bankruptcy of lawyers to bicker about it. Such prejudices on the part of employers therefore imply a considerable longer-term cost, not just to themselves, but to the rest of us innocent taxpayers. In short, a recruiter who continues to discriminate inappropriately against anyone, is an enemy of everyone.

RESEARCH OFFICER  
Solihull c.£7,500

Industrial and Commercial Finance Corporation Limited is owned by the clearing banks and the Bank of England. It is a private sector commercial institution providing loan and equity finance to smaller and medium sized companies. There are eighteen offices throughout the UK and our Management Advisory Services are based at Solihull.

We need a graduate researcher, aged 24-30, whose experience includes industrial market research, business intelligence or planning. An ability to write lucid reports, to gather and evaluate information and to manipulate and interpret statistical data are essential qualities.

Responsible to the Head of Market and Information Services, the Research Officer would provide a rapid and accurate research facility on markets and operating environments as a guide to investment decisions.

The attractive benefits package includes: low interest mortgage scheme, free private medical care, non-contributory pension and life assurance plan and four weeks holiday.

Please write with details of qualifications, experience and current salary to:

C. H. Offer,  
Head of Market and Information Services  
ICFC Limited, Radcliffe House,  
Blenheim Court, Solihull, West Midlands  
B91 2UB

Financial  
Controller

N.W. London Age c.33-36

The British subsidiary of an Italian manufacturer of motor vehicles is seeking a Financial Controller for its rapidly expanding organisation.

The successful applicant will be expected to play a vital role in this expansion. He/she will be totally responsible for all management and financial accounting operations and will be expected to give practical policy guidance at management level within the setting of rapid growth which will include the introduction of fully computerised accounting procedures.

The ideal applicant will preferably have ACCA qualifications with a broad commercial experience and proven ability to motivate staff. Accessibility to N.W. London and some understanding of Italian are desirable, but not essential.

Commencing salary c.£10,000 p.a. plus a very attractive car, pension bonus and other benefits.

Please write briefly and in strict confidence to Peter Rolandi REF: 190.



Alliance Management Consultants Ltd  
Executive Selection Division  
15 Borough High St., London SE1 9SH  
Tel: 01-403 0894 (24 hours)

**Alliance**

Investment  
Analyst

Applications are invited for the position of Investment Analyst in the management of the Association's UK equity investment at Head office in the City.

PROVIDENT MUTUAL is a well established Life and Pensions office with a good investment record. Total funds under management exceed £400m and new money available for investment was over £90m last year.

Ideally candidates should be 24-35 and have an economics, accountancy or actuarial qualification and preferably some relevant experience with a similar institution as a positive contribution will be expected at an early stage.

Substantial salary commensurate with experience plus non-contributory pension, life assurance benefits and after qualifying period low cost staff house purchase scheme. Free lunch, flexible working hours, four weeks leave and first class working conditions.

Please write giving age and details of education, qualifications and experience to: Mr. C. Young, Personnel Manager, Provident Mutual Life Assurance Association, 25-31 Moorgate, London EC2R 6BA.

**PROVIDENT MUTUAL**  
LIFE ASSURANCE ASSOCIATION

INTERNATIONAL  
BOND PORTFOLIO

The Company: A Knightsbridge based investment advisory service covering an exceptionally broad range of international investment media.

The Position: Soon leading to direct responsibility for a large multi-currency bond and money market portfolio, within a team offering co-operation and cross-fertilisation of ideas with innovative and internationally orientated investment advisers.

The Applicant: Preferably under 30, should be motivated, mathematically minded and show a high degree of personal initiative. Some City and computer programming experience, though desirable, is not essential. The position could be filled by a recent graduate.

Working environment, salary and fringe benefits are unusually attractive.

Please write in confidence, enclosing a hand-written cover letter to:

The General Manager, ITB Services Limited  
2 Albert Gate, London, SW1

## YOUNG ACCOUNTANT

Banking

London

to £11,000 + low  
cost mortgage

Our client is a leading international corporate bank with a small and expanding department of high calibre accountants and EDP professionals. This department, which has responsibility for the review of procedures and controls applicable to computer systems under development, requires an additional accountant.

Career opportunities, either within the banking operations or the financial function, are excellent. Applicants, aged 24-30 (male or female) must have demonstrable systems auditing experience gained in a professional or commercial environment. Please telephone or write to David Hogg FCA quoting reference 1/1992.

EMA Management Personnel Ltd.  
Burne House, 88/89 High Holborn, London, WC1V 6LR  
Telephone: 01-242 7773

YOUNG ACCOUNTANT  
FOR  
AVIATION INDUSTRY

London WC2

c.£10,000

A senior member of the finance function, the Accountant will initially play the lead role in the development of computerised systems. Interfacing between user departments and analysts, he or she will be involved in computerisation of fixed assets and introduction of current cost accounting. The position will develop to encompass a range of finance related projects and will provide good promotion opportunities.

An independent operation providing a range of control services within this high technology growth industry, our client was established in 1972. Applicants aged 25-35 should be qualified accountants from the profession or industry. Please telephone or write to David Hogg FCA quoting ref 1/1992.

EMA Management Personnel Ltd.  
Burne House, 88/89 High Holborn, London, WC1V 6LR  
Telephone: 01-242 7773

## Crawley, Sussex

As a result of a reorganisation arising from internal expansion and acquisition, the UNILOCK Group of Companies (T/O £20m) which specialises in office partitioning, furniture and interior contracting, both at home and overseas, has created the following positions which are open to both males and females. The Group operates a sophisticated computer system and experience in this area is essential for both appointments.

## Financial Director (Designate)

c.£20,000 + car

Reporting to the Managing Director of the partitioning division (T/O £10m), the successful candidate (supported by a staff of 20) will be responsible for the entire financial and administrative functions. Applicants must be Chartered Accountants, aged 30-35, who have already gained a minimum of five years' experience in an industrial environment and have a high level of personal motivation.

## Financial Controller

c.£14,000 + car

Reporting to the Financial Director (Designate) of the partitioning division the successful candidate (supported by an experienced team) will be responsible for the preparation of the financial and monthly management accounts, budgets and cash-flow forecasts. Applicants must be Chartered Accountants, aged 27-30, who have already gained a minimum of one year's commercial experience. Applications with full C.V. to: FRAZER DON CAROLIS, Group Secretary, Unilock Holdings Limited, 53-55 Garwick Road, Crawley, Sussex. RH10 2QZ.

**Phillips & Carpenter**  
Selection Consultants

Business Development  
International Banking  
Monaco

The French subsidiary of a substantial UK international banking group requires an ambitious personable young man or woman, probably aged 27 to 32, to lead a small team concerned with the development of the bank's private client business in Monaco.

Candidates, with at least 3 years' experience in international portfolio management, must be fluent in English and have a good knowledge of French. Italian and/or German would be an advantage. Some banking experience and some knowledge of international tax law would be welcome.

It is anticipated that the successful candidate will currently be earning a salary of at least £10,000 p.a.

Please telephone (01-629 1844 at any time) or write -- in confidence -- in the first instance for a personal history form. B. G. Woodrow ref. B.1659.

United Kingdom Australia Belgium Canada  
France Germany Holland Ireland Italy  
New Zealand South Africa South America  
Sweden Switzerland U.S.A.  
**MSL**  
Management Selection Limited  
International Management Consultants  
17 Stratton Street London W1X 6DB

## SENIOR MANAGER

FLUENT FRENCH ESSENTIAL

Age 30-38 yrs.

£15,000 PER ANNUM

An important name in the field of Travel Assistance seeks to appoint for its London Office a Senior Manager having experience in Insurance Marketing. Responsibilities will also cover the day-to-day running of the office, liaising between the various departments and co-ordinating between the other regional offices throughout the world. English mother tongue essential plus fluent French and a knowledge of Spanish.

Write Box A.7168, Financial Times

10 Cannon Street, EC4P 4BY

## RECRUITMENT CONSULTANT

Our well-established specialist banking division has a vacancy for a consultant. A background in banking is essential together with a genuine interest in people and their desire for career progression. Our clients are City-based international and merchant banks. If you are seeking a rewarding career in the consultancy field please telephone Mrs. S. Arnold.

This position is open to both male and female applicants.

**BSB Banking Appointments**

110-112 Cannon Street, London EC4P 3AX Telephone: 01-623 7347 & 01-623 9161

Recruitment Consultants

INTERNATIONAL  
SOFT COMMODITY  
TRADING COMPANY  
requires a  
MANAGER

with 5 to 7 years' experience to co-ordinate their operations in the UK. remuneration is negotiable depending on age and experience.

Write Box A.7769,

Financial Times  
10 Cannon Street, EC4P 4BY



## MANUFACTURERS HANOVER LIMITED

requires a

### EURODOLLAR C.D. DEALER

and wants to hear from experienced dealers in C.D. or dollar deposit markets interested in joining an energetic team with the possibility of widening their experience to cover other markets.

Salary is negotiable. In addition the bank provides an excellent benefits package.

Handwritten applications including details of previous experience should be sent to Mr. J. E. W. Bamford, Assistant General Manager, 8 Princes Street, London EC2P 2EN.

## Manager Overseas Financing

c £14,000 and Car

A major British Company—a leading exporter with extensive foreign manufacturing and selling activities—requires a manager to identify overseas financing requirements and to develop, negotiate and implement overseas financing plans.

The position will involve front line exposure at the most senior level to foreign banks and governments, frequently overseas and will provide intensive and high quality experience.

Applicants should be graduate accountants or MBAs aged 28 or over with the maturity and personal stature to develop quickly in the job. Several years experience of overseas funding and banking and a knowledge of export credit insurance is required.

Please write in confidence to B. H. Mason, at 78 Wigmore Street, London W1H 9DQ, showing clearly how you meet our client's requirements, quoting 6016/FT. Both men and women may apply.

**John Courtis  
and Partners**

### EUROMONEY

The successful magazine of international finance is expanding its sales team and needs another executive: an energetic self-motivated to sell advertising by telephone and face-to-face in London and overseas. Must have a proven sales record. Above-average remuneration includes a high commission element. Apply with brief details, including salary indication, to The Advertisement Manager, Euromoney, Playhouse Yard, Nestor House, London EC4

## TREASURY SERVICES INTERNATIONAL BANKING

Our Client is a prominent and highly regarded International bank enjoying an excellent reputation for the quality and efficiency of its foreign exchange and money market operations.

The bank's current expansion plans call for the appointment of a key individual to assist in the development of foreign exchange and treasury activities with its corporate clients. Candidates, probably in their late 20's, must possess a sound background in foreign exchange, gained in international banking or in the treasury department of a multinational corporation.

This challenging career opportunity carries a highly competitive salary and fringe benefits which provide an accurate reflection of the importance attached by the bank to the position.

Contact Norman Philpot in confidence  
on 01-248 3812

**NPA Recruitment Services Ltd**

60 Cheapside London EC2 Telephone 01-248 3812 3 4 5

## Finance Manager

Burmah-Castrol Agencies Swindon

Burmah-Castrol produces high-quality lubricants and petroleum products which are marketed worldwide. The Agencies Division is responsible for the marketing of a wide range of automotive and industrial lubricants through authorised agents.

Reporting to the General Manager, he or she will provide comprehensive financial management and control for all sections of the Division. Responsibilities include:

- \* Monitoring and analysing the financial performance of the Division.
- \* Producing financial forecasts for budgeting and strategic planning purposes.
- \* Monitoring credit terms and pricing adjustments.
- \* Making recommendations for profit improvement.
- \* Assessing investment opportunities.

A graduate aged 28 to 40, you must be a qualified accountant with several years' post-qualification experience in a commercial, profit-conscious environment, preferably involving international and

export business. Human relation skills should include the ability to handle people with diplomacy and tact and to be sufficiently flexible and practical to be able to deal with new proposals and problems. Ideally, you should have experience in managing business commitments in third world countries and speak a foreign language, preferably Spanish.

There are excellent career opportunities within the Burmah Group and, in particular, success in this position could lead to additional commercial responsibilities in the Agencies Division within two years.

Salary is negotiable and the usual large-company benefits apply including non-contributory pension, BUPA benefit and relocation assistance where appropriate.

Please send a full CV or nng or write for an application form to D. G. Freeston, Burmah-Castrol Company, Burmah House, Pipers Way, Swindon, Wiltshire SN5 1RE. Telephone: 0793 47400



## Treasury Assistant

British Home Stores have over 100 stores throughout the UK and are enjoying a steady record of expansion and profitable growth. We now have a vacancy at our Head Office in London for an Assistant to the Group Treasurer.

The job will include cash forecasting, liquidity and short term debt management and foreign exchange activities. Applicants aged between 25 and 35 must have practical experience gained in either a corporate treasury function or banking. The ability to communicate effectively at all levels is important. City contacts are desirable and a knowledge of sterling and FX markets is essential.

This position offers considerable opportunity to develop financial management skills. An attractive salary will be supported by a first class range of benefits including free meals, 20% staff discount, share participation scheme after qualifying period and free life assurance.

Please write with details to the Personnel Controller (H.O.), British Home Stores Limited, 129-137, Marylebone Road, London NW1 5QD.

**BHS**

BRITISH HOME STORES

## Young Accountant

c £8,000 Central London

A small, but highly profitable chemical manufacturing U.K. subsidiary of a well established £30 million turnover international group, is seeking a Company Accountant.

Some experience of computerised manufacturing accounting systems, and management accounting is desirable together with a broadly based financial background. A second language would be useful.

Above all, he or she will be a practical, lively, qualified or partly qualified accountant wishing to make a positive commercial contribution to a small but successful management team.

Write or call Mike Hann to arrange an early meeting, quoting reference 1137.



AAD  
One Old Bond Street,  
London W1X 3TD.  
01-499 8811.  
THE ADVERTISED APPOINTMENTS  
ARE NOT OFFERS AND NOT

### PROFIL

Profil Personnel Consulting Ltd  
Profil Conseils en personnel SA  
Profil Personalberatung AG

For  
LONDON OR GENEVA

One of the largest international merchants in physical and future commodity trading seeks a mature

### OIL SEED TRADER

to operate on the London and New York Commodity Exchanges buying from the origin and selling to industrial consumers and manufacturers of end products as well as trading and clearing futures on behalf of institutional clients.

Your individual success has, so far, always depended on personal contact, personal experience of the respective markets and suppliers, on loyalty and reliability - traditional virtues in a traditional industry.

You (and your clients) will benefit from efficient communication facilities and from extensive worldwide operational bases. You will have the opportunity to develop a service, the success of which will be measured by growth and rewarded by promotion to executive level. Your efforts will be backed by the reputation of this important group, whose reports are considered standard reference works on commodities.

Please write in full confidence to: Serge G. AMADUCCI, Advisor to the Group.

PROFIL S.A. 7, rue du Mont-Blanc 1201 GENEVA/SWITZERLAND

### INTERNATIONAL BANKING

**EURO. LOANS SYNDICATION** c. £9,000  
U.S. merchant bank extends first-class career to young banker (preferably a graduate) who has already acquired sound experience in an active syndications environment.

**OPERATIONS CONTROL** c. £8,500  
Challenging opportunity with a growing international bank for a well-experienced young banker, 24/26, to contribute to the development of its reporting/control systems.

**MENT. ACCOUNTING/REPORTING** c. £8,500  
Highly-rated City bank offers excellent prospects to someone with the skills and the flexibility to enjoy an unusually wide range of "standard" and ad hoc activities.

**FOREIGN EXCHANGE** £4,500-£6,000  
A number of our more active clients urgently seek young people with at least a sound introduction to F/X, together with evident potential to progress.

Please telephone Ann Costello or John Chiverton A.L.B.

JOHN  
CHIVERTON  
ASSOCIATES LTD.

31, SOUTHAMPTON ROW,  
LONDON, W.C.1.  
01-242 5841

### Orion Insurance

REQUIRES:

SECRETARIAL APPOINTMENT

A vacancy exists for a secretary to our Investment Manager. The ideal applicant will have good shorthand and typing experience together with an aptitude for general administrative duties. The ability to assist with the functions of the investment department will be a definite asset. A good commercial salary together with first class benefits and conditions makes this appointment particularly attractive.

Please apply to:

Mrs. L. E. Allan, The Orion Insurance Co. Ltd.,  
70/72 King William Street, London, EC4N 7BT  
Tel: (01) 626 4567

Our policy is people

## Economist Energy Research

An influential role with Ford of Europe  
from £10,000+ car

Ford seek a professional economist with experience in the energy sector to join our Economic Studies Department. Located at our Central Office in Brentwood, Essex, the successful applicant will join a small but influential team whose role is to analyse political, economic and vehicle market trends affecting Ford activities throughout Europe.

It will be your responsibility to analyse short and longer term developments in the energy sector and to evaluate their impact on the Company's business. It is a challenging role requiring the ability to adapt to a fast moving, highly competitive international business and to operate efficiently under pressure. Good communications with both fellow economists and with Ford management will be vital.

Our need is for a successful man or woman, probably in their late 20's, with a good economics degree and at least two years' experience in analysing energy issues. This experience could have been gained either in a private or Government research function. Knowledge of a second European language would be an advantage.

Prospects for advancement are significant. We offer an initial salary negotiable from £10,000pa plus car and the big Ford benefits package which includes relocation assistance where appropriate.

Please write, with sufficient details to make an application form unnecessary, to Jim Unsworth, Room 1/578B, Ford Motor Company Limited, Eagle Way, Warley, Brentwood, Essex. Telephone: Brentwood (0277) 253000 ext. 2149.



## Jonathan Wren - Banking Appointments



The personnel consultancy dealing exclusively with the banking profession

### BOND SALES London

£ negotiable

Our client offers trading and market advisory services in the secondary market for international securities. Due to continuing expansion of business an opening has arisen for an experienced and aggressive Bond Sales Executive who will maintain and develop relationships with investing clients, including the provision of advice on developments in the Eurobond markets. This opportunity will attract candidates who have from two to five years' experience in the bond market in a sales or advisory capacity; preferred age is 25-30 years, although more mature candidates will also be considered.

Please telephone KEN ANDERSON

### FOREIGN EXCHANGE DEALERS

£7,000 - £13,000

We are urgently seeking Foreign Exchange Dealers with a minimum of 2 years experience for a number of European and International banks. Broad knowledge of deposits, exchanges and arbitrage in most major currencies is required. In some cases, the ability to deal in a second European language will be a distinct advantage.

Please telephone MICHAEL ROSE

### ASSISTANT TO OPERATIONS MANAGER

c £8,000

This international bank affords the opportunity to move into a highly rewarding area of banking. The person must have an in-depth experience of three to four main banking areas, such as Forex, Accounts, Documentary Credits and Cash Department; all normal fringe benefits apply.

Please telephone BRIAN GOOCH

First floor - entrance New Street  
170 Bishopsgate London EC2M 4LX 01-623 1266



## MANAGER FINANCIAL DEVELOPMENT

South Coast

c £10,000 + benefits

Our client is a well established financial group whose impressive growth record has been achieved by successfully marketing its services worldwide.

They seek an ambitious Manager to take responsibility for the co-ordination of all financial aspects of business development within the International Division. The position will involve some overseas travel, mainly to Europe, and constant liaison with financial and non-financial managers at senior level.

Candidates, aged 26-36, must be qualified accountants and have preferably gained management and project accounting experience with an international group.

Proven success will lead to promotion within c. 2 years and the company offers generous benefits including mortgage subsidy, N.C.P., life and medical insurance and full relocation expenses where applicable.

Interested applicants should send a comprehensive resume of career to date, current salary, home and office telephone numbers quoting ref. 801 to:-

**Michael Page Partnership**

18/19 Sandland St., Bedford Row, London WC1

(01-242 0965/8)



**ARTOC S.A.K**

## Middle East Appointment

A prominent and well-established Kuwaiti investment and trading company which is entering a period of dynamic international expansion is seeking a

## General Manager

for its Head Office in Kuwait.

The successful applicant will be aged between 35-50 years, educated to University standard, and have a proven record of successful business management in banking or commerce in the Middle East. The preferred applicant will be of Arab origin but this does not exclude other nationals who speak fluently both Arabic and English.

An excellent tax-free remuneration is offered and accommodation plus other benefits will be provided including a significant incentive bonus.

Please reply in writing in strict confidence to:

The Managing Director

Arab European International Trading Co. (S.A.K.)

c/o KH Recruitment Ltd.

37 Fleet Lane, London, E.C.4.

## Minerals Supply and Cost Analyst

City-based  
around £10,000

Consolidated Gold Fields Limited, parent company of the Gold Fields Group of mining, finance, industrial and commercial companies, has a vacancy in the Mining Division at its head office in the City for a Minerals Supply and Cost Analyst, to join a team of specialists conducting research, analysis and forecasts in respect of minerals of interest to the Group.

An integral part of the work is the study of the cost of mining, processing or geology, several years operating experience in the mining industry and experience of project appraisal work. The job calls for personal initiative and an ability to work independently. Overseas travel will be involved and knowledge of one or more foreign languages would be an advantage.

Applicants should have a degree in mining engineering, mineral processing or geology, several years operating experience in the mining industry and experience of project appraisal work. The job calls for personal initiative and an ability to work independently. Overseas travel will be involved and knowledge of one or more foreign languages would be an advantage.

Salary will depend on experience but is likely to be in the region of £10,000 per annum. Fringe benefits include a non-contributory pension scheme and 23 days annual holidays.

Please write to the Personnel Manager, Consolidated Gold Fields Limited, 49 Moorgate, London EC2R 6BQ.

**Gold Fields**

International Diverse Resourceful

## Accountant for the Pilotage Commission

The Pilotage Commission is an independent body recently appointed under the Merchant Shipping Act, 1979 to advise Government Ministers and the pilotage interests on all aspects of marine pilotage in the UK.

The Commission wishes to appoint an Accountant who will, with minimal assistance, set up and administer the Commission's accounting arrangements.

The post, based in Central London, will attract a salary of £10,000 which will be subject to review from 1st September and appropriate pension arrangements will be provided.

Applications should be marked "Accountant" and sent to Mr. J. P. Callen, Chief Executive, The Pilotage Commission, C/o Sunley House, 90 High Holborn, London WC1V 6LP, within seven days of the appearance of this advertisement.

## Treasury Expert European Operations

J. I. Case, an American based multi-national organisation, is one of the world's largest manufacturers of construction, earth-moving and agricultural equipment. Increasing activity within our European operating companies has established the need for a professional cash/treasury expert.

The main objective will be to effectively control sources and usage of funds to finance our European operations, ensuring maximum availability at optimum cost and risk in liaison with our parent company, Tenneco, located in London. You would also manage foreign exchange transactions and exposure with a view to increasing the benefits gained by our subsidiaries from foreign currency operations. Responsibility will therefore involve the close monitoring of cash/treasury activities in all European subsidiaries, the forecasting of future cash/credit needs and the implementation of European cash management and netting systems, to facilitate inter-company settlements.

Professional treasury, banking and wide business experience is required from a man or woman who has the acumen to handle business transactions and financing in an international market. Though based at our European Headquarters at Weybridge, Surrey, the job will necessitate some European travel. A knowledge of languages would therefore be an advantage and someone whose first language is either Dutch or German would be especially welcome.

A salary commensurate with the experience and responsibility attaching to this senior position will be negotiated along with a generous benefits package which includes relocation expenses (where appropriate).

For further details please write giving full personal and career particulars to Mrs. M. C. Husby, Manager, Employee Relations, J. I. Case (Europe) Inc., Case House, 45/47 Monument Hill, Weybridge, Surrey, KT13 8FL.

**case**

## STOCKBROKERS

Frustrated? Is there too much bureaucracy where you work?

Would you rather work in a smaller operation in an overseas market where the underlying competition is not overwhelming but the rewards for talent and hard work are excellent?

We are the European arm of a highly successful and very profitable North American company which is planning to expand significantly here in London.

If you think you would like to be part of such expansion at a very early stage, please write giving your ideas, background and experience. Age is immaterial—enthusiasm essential. We are going up.

Write Box A.7171, Financial Times  
10 Cannon Street, EC4P 4BY

## BRILLIANT STAFF POSITION

in medium small company near Brussels

Requirements:

- Age 40 maximum
- Commercial training and experience (negotiations and management of contracts overseas)
- Very good technical aptitude (electrical, mechanical), Engineering diploma welcomed but not required.
- Perfect knowledge of English, Spanish, French
- Appreciate travel and international relations

Earnings after probation about BF 2,000,000 plus incentives depending on results.

Please send your curriculum vitae with recent photograph to Compagnie Bruxelles Lambert, Attention: Mr. Eric de Cooman, 24 Ave. Marnix, 1050 Brussels—Belgium, in full confidence.

## Sterling Instructions Clerk

We are seeking to recruit a young person aged 22-25 years to work with our Sterling Money Dealer. The successful candidate should have about four years' relevant banking experience and it is likely that the person selected will progress to a junior dealing position after completion of a satisfactory period in the back-up area.

Salary and fringe benefits are fully competitive. Apply in writing to the Secretary

JOHNSON MATTHEY BANKERS LTD.

Member of the London Gold Market,  
5 LLOYDS AVENUE, LONDON EC3N 3DB 01-481 3181

## Funds Management Controller

Bahrain

Gulf Air, the prestigious national airline of the Gulf States, have a highly rewarding opening for a Funds Management Controller in the unique environment of Bahrain.

The successful applicant will manage the cash resources of the airline, ensuring that all authorised funds are available as required. This will entail varied duties including the preparation of periodical cash flow statements, negotiations with banks and other financial institutions, and keeping fully comprehensive records.

You should be a qualified Accountant with ACA.

Tax Free Salary

ACCA or ACPA and will preferably have some banking experience.

We can offer you an excellent tax-free salary, free furnished accommodation, passage-paid UK leave and all the other generous overseas benefits to be expected of a successful international airline.

To join us in Bahrain, write giving full career and personal details and quoting reference 2 FMC to the Personnel Officer, Gulf Air, Room 252, Excelsior Hotel, Bath Road, West Daytons, Middlesbrough.



## INVESTMENT BANK ECONOMIST

American Express Bank is seeking an Economist to join its Economics Department, headquartered in London.

The Economics Department provides international financial advisory services, money market forecasts, country risk analysis and publishes "The Amex Bank Review."

Suitable applicants should be able to assume specific responsibilities within the Investment Bank. He or she should be prepared to travel overseas, particularly to developing countries.

Applicants should have a good degree in economics, preferably with post-graduate experience. Econometric skills and a second language would be advantageous.

A competitive salary will be offered together with the usual Bank fringe benefits.

Please apply in writing, stating full particulars, to:-

Richard O'Brien  
Senior Economist  
Amex Bank Limited  
120 Moorgate  
London EC2P 2JY



**American Express Bank**  
International Group

## INSURANCE VACANCIES

1. NON-MARINE R/I TECHNICIAN MANAGER/ESS to £9,000
2. SUPT. NORTH AMERICAN CLAIMS to £9,000
3. ASST. CLAIMS MANAGER/ESS to £7,500
4. NON-MARINE CLAIMS BROKERS to £7,000
5. TREATY ACCOUNTS CLERKS to £6,000
6. MARINE X/L CLOSING TECHNICIAN to £6,000
7. MOTOR CLERK to £5,000

For details on all the above vacancies please contact:

EILEEN SHEEHAN ON 01-623 0101  
CAMBRIDGE APPOINTMENTS  
RECRUITMENT AGENCY

## FOREIGN EXCHANGE

C.£5,500

Leading American Bank requires experienced personnel for their rapidly expanding back-up area. 2 years experience. Age 20-25. Minimum 5 "O" levels.

Write:

Box A.7166  
Financial Times  
10 Cannon Street,  
EC4P 4BY.



## Accountant Pharmaceutical Marketing

As a result of a major re-organisation of our Marketing function, designed to meet the needs of the 80's, we have an opportunity for an Accountant to fill a key post in the pharmaceutical sales and marketing group.

Candidates should have at least three years' post qualification experience in industry or commerce, preferably with a marketing based company and have the energy and enthusiasm necessary for an innovative role.

Within the UK, the Group has its own sales force and marketing team but operates overseas through subsidiary companies, distributors and agents. The Accountant will be closely associated with UK budgets and with forecasts and new product projections on a worldwide basis. Financial information and advice will be provided as an input to marketing policies and the Accountant will work closely with senior management. Career development and growth prospects are excellent.

Remuneration is designed to attract high calibre candidates and benefits include a profit sharing scheme. The appointment is based in Nottingham and substantial help with relocation is available if necessary.

Please write with brief details to J. L. Muncney, Recruitment & Development Manager,

**The Boots Company Limited,**

Head Office, Nottingham NG2 3AA.

## International Investment Administration

As a result of the continuing expansion of our International Investment Management Operations we have identified the need for an individual to provide direct support to our marketing staff. The job will involve responsibility for ensuring the smooth and efficient operation of accounts and liaison between various departments of the Bank on both administration and marketing. In addition, the successful candidate should have sufficient maturity and enough experience of the international investment business to be able to deal directly with clients, relate to their needs and play a part in the marketing effort.

In addition to a competitive salary, fringe benefits include mortgage and personal loans at reduced rates of interest, non-contributory pension scheme and subsidised restaurant. Please send detailed c.v. or telephone for an application form to:  
Stephen Bourne, Personnel Manager, Continental Illinois Corporation,  
Continental Bank House, 162 Queen Victoria Street, London, EC4.  
Tel: 01-336 7444.



**CONTINENTAL BANK**  
Continental Illinois National Bank & Trust Co. of Chicago

### AMERICAN EXPRESS INTERNATIONAL BANKING CORPORATION

We are seeking to appoint

#### AN ACCOUNT OFFICER—MANCHESTER REPRESENTATIVE OFFICE

to assist in the expansion of our Marketing Programme. The successful applicant, male/female, will be responsible for promoting a comprehensive range of financial and banking services to Commerce, Industry and other Banks.

Applicants will ideally be in their late 20s or early 30s and have had at least six to eight years' banking experience, preferably in both the domestic and international fields, to include Documentary Credits, Foreign Exchange, Lending and Marketing.

This opening offers excellent opportunities for advancement within a growing worldwide organisation. Salary will be commensurate with experience to which will be added excellent fringe benefits.

Please apply in writing, giving details of career to date, to:

Mr. E. J. Ralphs, Manager—Personnel,  
American Express International Banking  
Corporation,  
120 Moorgate, London EC2P 2JY.



## Money Market/FX Dealer

We are a medium-sized international bank with a large and active branch in London which co-ordinates with our dealing desks in other financial centres including New York.

We are looking for a money market dealer who will manage the branch's sterling and foreign currency liabilities and will work in close liaison with the foreign exchange dealers, substituting for them during holidays and other absences.

The successful candidate will probably be about 30 years old and would already have a senior trading position in a large commercial or merchant bank.

He or she will have been experiencing regular promotion and will now be looking for a job which could lead to an outstanding career.

An essential characteristic is the ability to integrate well with other members of the dealing room, within an organisation which specialises in offering a high-quality service to existing and potential customers.

Not less than £12,000 plus normal banking benefits.

Write in confidence to:

Mr. Mike Pope

**Q.S. BANKING RECRUITMENT CONSULTANTS**  
30/31 Queen Street, E.C.4

### ITALY

A well-known Italian trading company, planning to further expand the activity of its

**NON-FERROUS METALS DEPARTMENT**

is seeking

#### PHYSICAL METAL TRADER

Experienced in buying and selling in the international markets. The person required should be fluent in English and Italian. To suitable, qualified candidates we offer good remuneration, pleasant working conditions and excellent prospects for career development.

Please send detailed c.v. and photograph in strictest confidence to Box A7164  
Financial Times, 10 Cannon Street, EC4P 4BT

### ADVERTISING SALESPERSON

Knowledge of financial and business publications preferred. Must be fluent in Italian, French or German and English and willing to travel extensively. Initiative and desire to succeed imperative. Applicant must be UK citizen or citizen of EEC country. Salary open plus bonus. Interviews will commence 4th June. Appointments should be arranged at once.

Enrico C. Coleman  
INSTITUTIONAL INVESTOR  
(EUROPE) INC.  
Bardonia House  
52 Lincoln's Inn Fields  
London, WC2 - Tel: 01-404 5222

## Consolidation Accountant

### Group Finance London W1.

Trusthouse Forte is the largest hotel, catering and leisure group in the world. The Group's international success has recently been recognised by the Queen's Award for export achievement.

Internal promotion at our Head Office has created a vacancy for a young, recently qualified Accountant. Using a sophisticated computerised system the person appointed will be one of a small team responsible for the collation and consolidation of monthly, quarterly and annual accounts covering over 200 UK and overseas trading companies.

The position represents an ideal opportunity to widen your professional experience and has excellent career prospects. An attractive benefits package will be part and parcel of the appointment.

Please write with details of qualifications, experience, age and current salary to: Colin Forbes, Group Personnel Manager, Trusthouse Forte Limited, 7 Hanover Square, W1R 0PS.



**TRUSTHOUSE FORTE  
GROUP**

## Investment Management

Our client, a major Life Assurance Company with a wide range of Funds under direct management, seeks additional key personnel to join their London based Investment Services.

### Portfolio Manager

up to £14,000 plus benefits

The successful candidate will probably be a graduate, aged 26-35, with a sound track record in U.K. Equity research and/or management plus an interest in International markets. The position will involve taking over responsibility for the management of a small group of varied portfolios.

### Investment Analyst

up to £12,000 plus benefits

The successful candidate will probably be a graduate with 3 or 4 years general or specialist U.K. Equity research experience plus an interest in International markets. The prime responsibility of the position is decision making on stock and sector recommendations.

These positions should appeal to individuals who wish to broaden their experience and gain greater scope for advancement. Long-term prospects and benefits are excellent.

For an initial talk about the company and the opportunities please contact Anthony Innes or F.J. Stephens who will treat all enquiries in the strictest confidence.

### Stephens Associates

International Recruitment Consultants

35 Dover Street, London W1X 3RA. 01-493 0617

## SUN LIFE ASSURANCE COMPANY OF CANADA INVESTMENT ASSISTANT

—FIXED INTEREST SECURITIES

This is an opportunity to begin a career in investment management with an international life insurance company whose U.K. assets, managed in London, exceed £300 million.

We are seeking a recent honours graduate, or one with some business experience, to join a small team within the Investment Department which is concerned with the analysis of economic and financial trends and the management of fixed interest portfolios. The Department is small in number and it is expected that a new member would soon take part in decision making as well as analysis.

We are looking for a young person with a lively interest in current affairs and a degree in a numerate discipline. We would, for example, be pleased to consider a recent graduate in Economics or Commerce, but someone currently employed as an Actuarial Trainee could prove equally suitable. Career development depends very much on how the successful applicant meets the varied challenges encountered in investment work.

A competitive starting salary is offered with excellent fringe benefits including free lunches, a staff mortgage scheme and a non-contributory pension scheme.

If you are interested, please apply, giving brief career details, to:

Miss S. Ives  
Personnel Department  
SUN LIFE ASSURANCE CO. OF CANADA  
2-4 Cockspur Street  
London SW1Y 5BH

**SunLife of Canada**

### CREDIT ANALYSTS

International bank requires a credit analyst with a minimum of three years' experience in a similar role. The successful candidate will be well-versed in loan documentation, credit committee presentations and involvement with new business and will be either a graduate or A.I.B.

Age: 25/30

Salary: £9,000/£10,000 p.a.

A small North American bank is seeking a credit analyst, ideally mid-20s and with analysis experience gained within an American bank.

Salary: £7,500

European bank based in the City requires an analyst, preferably with A.I.B., together with experience of loan administration.

Age: 25/30

Salary: £8,000

These positions are open to both male and female applicants.

### BSB Banking Appointments

100 Cannon Street, London EC4N 5AX Telephone 01-623 7317 & 01-623 9161  
Recruitment Consultants

## Institutional Salesmen

Wood, Mackenzie & Co's international oil and pharmaceutical marketing team in London has vacancies for both a senior and a junior salesman. The senior appointment will probably be for someone in his/her mid 30s, whilst the junior salesman is likely to be a few years younger.

Experience of stockbroking and the oil or pharmaceutical industry would be an advantage but not essential.

Salaries are negotiable and fully competitive. The total remuneration includes a profit sharing bonus. The firm operates a contributory pension scheme.

For further details please contact Robert Norbury at:

Wood, Mackenzie & Co, 62/63 Threadneedle Street,  
London EC2R 8HP. Tel: 01-600 3600.



**WOOD, MACKENZIE & CO.**  
MEMBERS OF THE STOCK EXCHANGE

## TRUST OFFICERS BERMUDA

A major financial institution in Bermuda provides a broad range of local and international money management and trust services to individuals, partnerships and corporations.

An opportunity now exists for several Trust Officers to augment the existing staff. Responsibilities will range over small local trusts to large international investment portfolios with worldwide contacts and directorships with client companies.

Applications are invited from those with Trust experience or a relevant legal/accounting background for the administration of client accounts.

Maturity and well developed interpersonal skills are required to facilitate liaison with investment officers and clients.

An excellent tax-free salary complements the attractive environment.

Please send a comprehensive career résumé, including salary history, quoting ref. 1051/FT, to M. D. C. Campbell

**Touche Ross & Co. Management Consultants**

Hill House, 1 Little New Street, London EC4A 3TR.  
ext. 3011 or 3185

## Marketing Manager

EDP and Telecommunications  
£20,000+ with car etc.

- Our client, a world leader in Data Processing and Telecommunication Training, is expanding and highly profitable.
- An exciting opportunity has arisen for a Marketing Manager to direct a period of significant growth in the UK. Candidates, male or female, probably aged 30-35, will be recognisable leaders and able to demonstrate marketing track records of outstanding success.
- A good University Degree will have been followed by several years' field and line management experience with a major computer hardware manufacturer. A thorough understanding of EDP and Telecommunications is essential.
- This position, based in London, offers an excellent salary and benefits package and the opportunity to earn very substantial performance-related bonuses. Success can lead to outstanding career opportunities.

Please telephone or write to F.A. Merrin, BA (Econ) ACA ATR or S.W.J. Adamson, FCA, Grosvenor Stewart Limited, Hamilton House, 15 Tilehouse Street, Hitchin, Hertfordshire, quoting Reference 1038. Telephone Hitchin (0462) 55303 (24 hour answering)



**GROSVENOR STEWART**  
Executive Search and Selection

## Systems Accountant

Sussex/Hants border c. £10,000

Our client, a division of a high-technology U.S. multi-national group, has substantial interests throughout Europe. They now require a qualified accountant, preferably A.C.M.A., to strengthen their senior financial team.

This challenging role will involve full participation in the advanced data-based computer system currently being installed to accommodate the further expansion of the European operations.

You will play a major role within the team in developing the group's sophisticated accounting systems, controlling the day-to-day plant operational activities together with challenging ad hoc duties.

Personal qualities required in the successful candidate will include a practical and experienced approach to problem-solving combined with ambition and a strong desire to succeed. Prospects throughout the group are excellent. Ref: MSS 3295.

**Lloyd Chapman  
Associates**

123, New Bond Street, London W1Y 0HR 01-499 7761



## Project Accounting

C. London

c. £9,500

Our client is the Headquarters of one of the world's most successful multinational organisations. As part of their management development plan for the eighties, they now require a young graduate accountant - qualified to Part II/III of ACCA or ICMA.

Your industrial/commercial finance expertise will be sharpened by direct involvement with financial and operational reporting problems, asset management and business plan formulation.

Ideally you will be a numerate graduate and a finalist ACCA/ACMA. You will receive excellent training and can expect to benefit from the group's policy of rapid internal promotion. Financial and practical assistance will be given to complete your professional qualifications. Please telephone or write quoting Ref: RG 3676.

**Lloyd Chapman Associates**

123, New Bond Street, London W1Y 0HR 01-499 7761

## Major international construction company

has the following two senior staff vacancies in its corporate financial department:

—specialists in controllership/treasury functions

—specialist in the budgets and planning/management systems

Requirements for both positions include previous experience with multi-national group, bilingual French/English capability and preferably previous experience in construction/engineering industry. Some previous internal/external auditing an advantage but not mandatory.

Good ground-floor opportunity for bright, flexible, self-starting individuals.

Located in Liège, Belgium. Competitive conditions.

Please reply with handwritten curriculum vitae and financial requirements to:

Ref. F57 A. Havas Bld. Ad. Max, 13-17  
1000 BRUXELLES



## MERCHANT BANKING Baring Brothers & Co. Limited PORTFOLIO MANAGER/ PRIVATE CLIENTS

Barings require a Portfolio Manager to work within a small team and assist in providing an investment management service to clients in the private client and net fund section.

The successful applicant would be a qualified accountant with a minimum of five years experience of investment management in a similar environment.

Salary will be negotiable according to age and experience. Benefits include low interest mortgage and non-contributory pension scheme.

Applications enclosing a c.v. should be sent to:

Miss E. Williams  
Baring Brothers & Co. Limited,  
88 Leadenhall Street,  
London EC3 3DT.

## INTERNATIONAL FRENCH BANK

seeks

### EXPERIENCED CREDIT ANALYST/ LOAN ADMINISTRATION OFFICER

to assist the head of the department. The applicant must have a good experience of credit analysis of corporate customers including international companies and a wide knowledge of all types of commercial banking loans and advances including legal aspects of facilities and securities

and

### SENIOR DOCUMENTARY CREDIT CLERKS

with wide experience of all types of documentary work and trade finance to take immediate responsibilities in a very active department. Flexibility and team spirit are two essential characteristics required.

### SALARIES NEGOTIABLE PLUS BENEFITS

Send applications in writing to Box A.7172  
Financial Times, 10 Cannon Street, EC4P 4BY

## TRAFFIC ADMINISTRATOR

S.W.1. area

We are part of the world's leading marketing organisation for basic materials. Due to continued expansion we need to strengthen the traffic administration team in our Oil Products Trading Department.

The successful candidate will be expected to work closely with the trading executives monitoring and co-ordinating movement of oil by tanker on a world-wide basis. A knowledge of shipping documentation, letters of credit, chartering and marine insurance is necessary, together with the ability to carry out assignments meticulously in a pressurised but invigorating environment. A second language would be useful.

Career prospects are excellent and a five-figure salary is negotiable.

Write in confidence to Box A7173, Financial Times,  
10 Cannon Street, EC4P 4BY.

## Financial Analyst Corporate Planning

C. London

c. £10,000

Accurate financial planning and analysis guarantees the success of this worldwide high technology organisation. As a Senior Business Analyst in their Financial Planning Department, you will be responsible for the analysis of marketing, pricing and business strategies into specific financial terms for presentation to Senior Business Executives. Sophisticated computer modelling techniques are utilised to improve the quality of information.

You should be a young numerate graduate with financial analysis/corporate planning experience in an international environment using computers for planning purposes.

A practical inquisitive approach to problem solving is essential in this demanding role.

The Group offers excellent promotional prospects. Please telephone or write quoting Ref RG3711.

**Lloyd Chapman Associates**

123, New Bond Street, London W1Y 0HR 01-499 7761

## PARTNERSHIP SECRETARY Solicitors

Central London c. £14,000 + car

Our client, a long established 20 partner practice, wishes to appoint a qualified accountant to the joint roles of partnership secretary and chief accountant.

With ten staff and reporting to the finance partner this person's responsibilities include budgets, cash flow forecasts and partners' taxation affairs. A major project in the coming year will be the computerisation of all financial records.

Applications are sought from qualified accountants, probably chartered aged over 35, with experience of computerised accounting for professional practices or service industries and sufficient personal tax knowledge to deal with the firm's advisors. This is a career position.

Please send brief personal and career details, in confidence and quoting reference F:104/M to Douglas G Mizon at the address below.



**Ernst & Whinney Management Consultants**  
57 Chiswell Street, London EC1Y 4SY.

## ROWE & PITMAN

### Insurance Shares—Investment Analyst

Rowe & Pitman wish to recruit a young investment analyst to join their team in the insurance sector where the Firm has a long-established specialisation. Some experience of investment analysis or the insurance industry would be an advantage.

An attractive remuneration package of salary and profit-sharing bonus is offered, together with a non-contributory pension scheme incorporating good life cover.

Apply with full curriculum vitae to:

P. N. Smith Esq., Messrs. Rowe & Pitman  
1st Floor, City-Gate House  
39-45 Finsbury Square, London EC2A 1JA

Profil Personnel Counseling Ltd  
Profil Conseils en personnel SA  
Profil Personalberatung AG

For NEW YORK CITY

An established physical and future dealer seeks an outstanding professional to grow as a

### PRINCIPAL COFFEE TRADER

to operate on the New York and London Commodity Exchanges.

The movement of physical coffee from producer to consumer is of increasing importance to the Group's business, the volume of which is boosted by its first-rate supplier and master customer contacts.

Access to an extensive private network linking widespread offices provides a speedy, reliable and discrete service to all those involved in the coffee industry.

Having a successful record in coffee trading you are unwavering in your integrity and dedication to the client. You are presently looking for and willing to join a vibrant and flexible corporation which capably handles all situations in a rapidly changing environment and offers you ample scope for personal development.

Please write in full confidence to Serge G. AMADUCCI, Advisor to the Group.

PROFIL S.A. 7, rue du Mont-Blanc 1201 GENEVA/SWITZERLAND

## SYSTEMS MANAGER BERMUDA

A major financial institution in Bermuda provides a wide range of retail, corporate and commercial banking services through a number of subsidiaries and affiliates in key international markets.

To meet the needs arising from its anticipated growth both domestically and overseas, the Bank seeks an experienced and capable professional to manage the information systems function.

Reporting directly to Vice President level as a member of the senior management team, the person appointed will direct systems development and current computer operations, co-ordinating the development of information systems within the Bank.

Applicants should be graduates with considerable systems analysis experience and proven ability to manage a systems team. Experience of on-line banking systems would be an advantage. The leadership qualities of energy, initiative, diplomacy and communication skills are sought.

A generous remuneration package reflects the significance of the appointment. Relocation expenses will be met and the vacancy thus represents an unusual opportunity to enjoy a challenging role in a very pleasant environment.

Please send a comprehensive career résumé, including salary history, quoting ref. 1050/FT, to M. D. C. Campbell

**Touche Ross & Co. Management Consultants**

Hill House, 1 Little New Street, London EC4A 3TR.  
Tel: 01-358 8011

## STOCKBROKING VACANCIES

1. DIVIDEND CLERK TO £6,250 + BONUS
2. OVERSEAS CLERK TO £6,000 + BONUS
3. CONTRACT CLERK TO £6,000 + BONUS
4. CLIENT LEDGER CLERK TO £5,200 + BONUS
5. TRANSFER/REGISTRATIONS CLERK TO £5,000 + BONUS
6. VALUATIONS CLERK TO £4,500 + BONUS

For further details on the above vacancies please contact:

LYNN BLACKLEY ON 623 0101  
CAMBRIDGE APPOINTMENTS  
RECRUITMENT AGENCY

## WHY NOT GET BROWNED-OFF IN BERMUDA?

We quickly need the following enthusiastic, preferably qualified personnel:

ACCOUNTANT  
\$26,000 + accommodation  
Tax free L1484

ACCOUNT EXECUTIVE  
\$24,000 Tax free L1481

INTERNAL AUDITOR  
\$24,000 Tax free L1482

Call Christopher D. Stock, F.I.C.B. for a confidential discussion now

Banking and Accountancy Personnel Selection  
Tel: 01-481 8111

## Eurobond Dealer

We require a Eurobond dealer to join the team responsible for Eurobond underwriting, dealing and placing operations.

The successful applicant should have some dealing experience with a bank or stockbroker (not necessarily in Eurobonds). A full training in the field of Eurobonds will be provided if necessary.

Salary will be by negotiation to reflect age and experience.

Please write, with full details of education and career, to:

The Managing Director,  
Fuji International Finance Limited,  
25-31 Moorgate, London EC2R 6AR.

## MARKETING MANAGER

Euromoney requires an energetic, experienced person to sell magazines, newsletters, books and services on international finance. Some travel. This management position requires initiative and commitment and can earn a key role in a successful and expanding enterprise.

Apply with brief c.v. including salary indication, to:  
The Publisher, Euromoney, Nestor House,  
Playhouse Yard, London EC4

## Financial Controller

Retailing

c. £12,000 + bonus + car

Our client is a renowned retail jewellery company in the North of England with numerous outlets, which wishes to make a new appointment of Financial Controller to introduce up-to-date financial and management reporting systems as a base for further expansion. The new Financial Controller will be a key member of a team being introduced as a result of consultants' recommendations which will lead to the introduction of modern control of merchandising as well as reporting.

Candidates aged 30-45, will be members of a recognised accountancy body and must have had retail experience in a multiple reporting situation. The remuneration package for this position is excellent including relocation expenses and bridging loan facilities, and future prospects include a board appointment.

Apply in confidence for an application form, quoting reference C253A, to ERP International Recruitment Limited, Clemons House, St. Werburgh Street, Chester CH1 2DY. Tel: 0244 317886 (Answer after 5pm).

Offices in London, Chester, Jeddah, Amsterdam, Brussels, Milan, Paris.



## Accountant

Credit Suisse First Boston Limited are looking for a qualified Accountant to take over responsibility for running their Accounts Department.

You will be required to supervise a department of 10 staff, run the accounts function on a day-to-day basis, and have primary responsibility to produce monthly Management Accounts.

The position requires a bright and hard working person with around 18 months post-qualification experience in industry or commerce.

The salary is negotiable and usual excellent banking benefits are offered together with exceptional prospects for career progression. If you feel you have the right outlook and a versatile personality contact:

Tom Kerrigan, Personnel Manager,  
Credit Suisse First Boston Limited,  
22 Bishopsgate, London, EC2N 4BQ.  
Tel: 01-283 4200.

## AFS PRESIDENT

International AFS Presidential Search.  
Leading student exchange organisation invites applications from experienced candidates.

Please write in confidence to Box C, Search Committee  
AFS International/Intercultural Programs  
313 East 43rd Street, New York, N.Y. 10017, U.S.A.

## EXECUTIVES

Over £10,000

Today is a good day for making a fresh start.

If your present job lacks:

\* Interest

\* Prospects

\* Salary advancement

and you want:

\* A better salary

\* New challenge

\* More interest

Then don't wait any longer.

Telephone us now for a cost free assessment meeting and let Europe's most experienced job search organisation take hand in your future.

Call future - Call

01-839 2271

140 Grand Buildings  
Trafalgar Square  
London WC2E

APPOINTMENTS ADVERTISING  
Rate £19.50  
per single column advertisement

مكازم التوظيف







# Save money now —pay later

BY MARGARET VAN HATTEM

EVEN THE British Government would probably admit that any foreseeable settlement of its demands for a cut in its payments to the EEC budget will aggravate, rather than tackle, the cause of the problem.

This might be justifiable if it provided a breathing space during which the necessary fundamental reforms could be negotiated. But indications are that the prospective settlement could prejudice, rather than help, Britain's chances of securing a better deal from the EEC in the longer term.

Britain pays more on balance into the EEC than any other member mainly because it loses out heavily under the high price-support mechanisms of the common agricultural policy.

The Conservative Government's early decision to concentrate on the budget problem first and worry about the CAP afterwards may have sounded pragmatic a year ago when Sir Geoffrey Howe declared the CAP to be "a false trail". Reforming it would take too long to meet Britain's immediate needs.

## Demands

Indeed, when earlier this year the French Government refused even to discuss Britain's demands outside the context of a package deal incorporating a 5 per cent farm price rise, London sighed with relief.

The British Government obliquely let it be known that, despite its previous demands for a price freeze, a deal was possible—including the virtual abandonment of plans to curb the expensive dairy surplus—

if an acceptable budget offer were made. It calculated that the CAP battle could be fought later on when EEC financial resources ran out and Britain could brandish its power of veto over proposals to lift the 1 per cent ceiling which currently limits the amount of national VAT revenues paid into the EEC budget.

Many people did not fully appreciate the catch until last week when the Commission presented estimates of EEC spending over the next three years. These show that unless the growth in farm spending is cut back sharply from the 30 per cent average of the past

## Disastrous

Once the French and German elections are over, they are likely to press for an overall increase in the budget by raising the 1 per cent VAT limit.

By that time, the British may find that the only alternatives to going along with this are either an enormous net contribution or an illegal, and politically disastrous, withholding of VAT payments, the first step towards quitting the EEC.

If Britain accepts this year's farm price package, it will be arming its opponents for the bigger fight ahead.

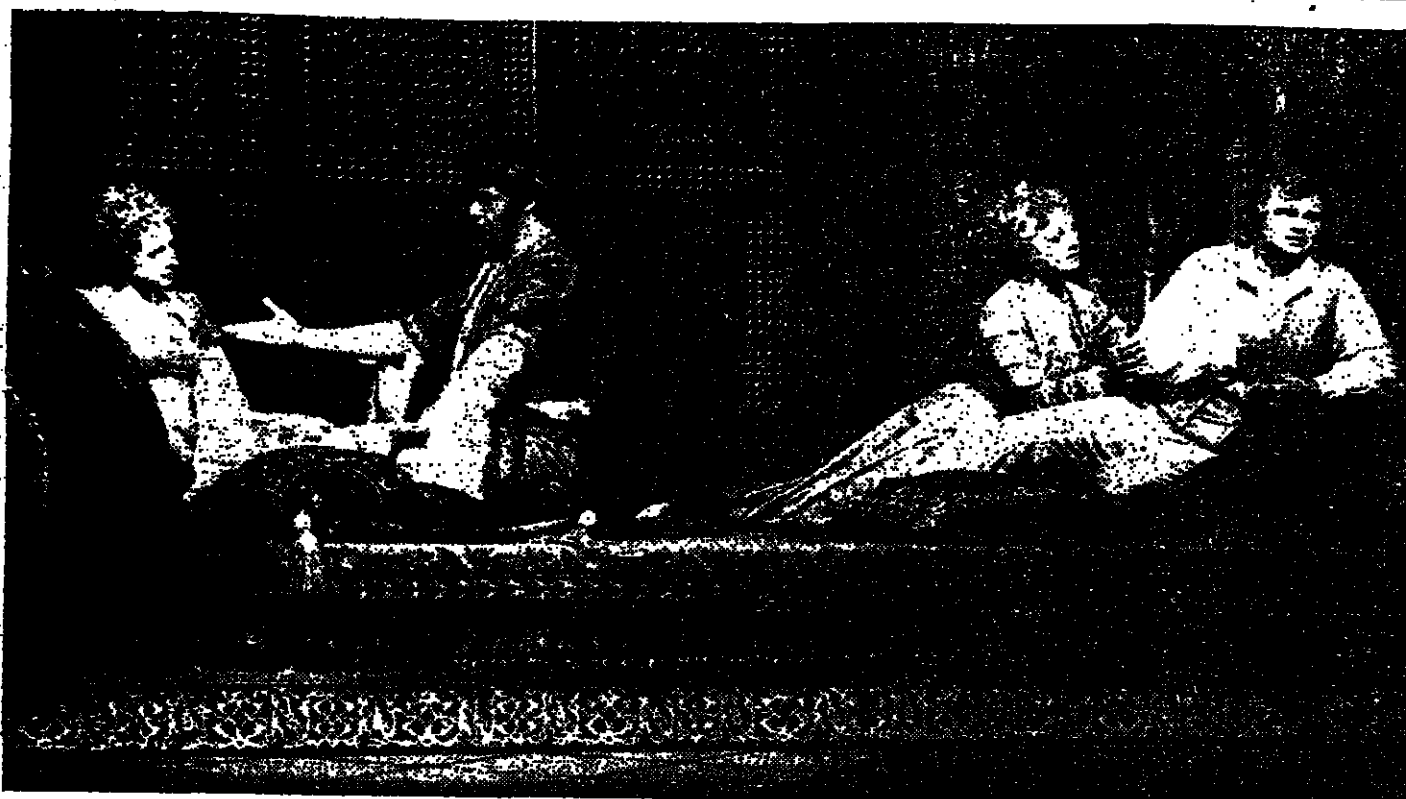
9.30 That's Life Report.  
9.40 News.  
9.55 Bull Time.  
10.10 Question Time with Robin Day.  
11.10 Border Patrol: Three days in South Armagh territory.  
11.40 Weather/Regional News.

All Regions as BBC-1 except as follows:  
Cymru/Wales—5.55-6.20 pm News Today.  
Wales Today.  
11.40 News and Weather for Wales.  
Scotland—11.04-11.15 pm The Scottish News.  
11.15-11.20 pm Reporting Scotland.  
10.10 Curious Account.  
10.40 Omnibus (Schlacken the Painter).  
11.50 News and Weather for Scotland.  
Northern Ireland—3.35-5.55 pm Northern Ireland News.  
6.30 Scene Around Six.  
11.40 News and Weather for Northern Ireland.  
8.05 Taxi.

9.30 am Horses in Harmony.  
9.55 A.B.C. 12.30 Amused Classics.  
11.05 Story Hour.  
11.55 The Bubbles.  
12.00 Gammon and Spinach.  
12.10 pm Stepping Stones.  
12.30 The Sullivan.  
1.00 News, plus FT Index.  
1.30 The News.  
1.40 News.  
1.50 News.  
2.00 News.  
2.10 News.  
2.20 News.  
2.30 News.  
2.40 News.  
2.50 News.  
3.00 News.  
3.10 News.  
3.20 News.  
3.30 News.  
3.40 News.  
3.50 News.  
4.00 News.  
4.10 News.  
4.20 News.  
4.30 News.  
4.40 News.  
4.50 News.  
5.00 News.  
5.10 News.  
5.20 News.  
5.30 News.  
5.40 News.  
5.50 News.  
6.00 News.  
6.10 News.  
6.20 News.  
6.30 News.  
6.40 News.  
6.50 News.  
7.00 News.  
7.10 News.  
7.20 News.  
7.30 News.  
7.40 News.  
7.50 News.  
8.00 News.  
8.10 News.  
8.20 News.  
8.30 News.  
8.40 News.  
8.50 News.  
9.00 News.  
9.10 News.  
9.20 News.  
9.30 News.  
9.40 News.  
9.50 News.  
10.00 News.  
10.10 News.  
10.20 News.  
10.30 News.  
10.40 News.  
10.50 News.  
11.00 News.  
11.10 News.  
11.20 News.  
11.30 News.  
11.40 News.  
11.50 News.  
12.00 News.  
12.10 News.  
12.20 News.  
12.30 News.  
12.40 News.  
12.50 News.  
1.00 News.  
1.10 News.  
1.20 News.  
1.30 News.  
1.40 News.  
1.50 News.  
2.00 News.  
2.10 News.  
2.20 News.  
2.30 News.  
2.40 News.  
2.50 News.  
3.00 News.  
3.10 News.  
3.20 News.  
3.30 News.  
3.40 News.  
3.50 News.  
4.00 News.  
4.10 News.  
4.20 News.  
4.30 News.  
4.40 News.  
4.50 News.  
5.00 News.  
5.10 News.  
5.20 News.  
5.30 News.  
5.40 News.  
5.50 News.  
6.00 News.  
6.10 News.  
6.20 News.  
6.30 News.  
6.40 News.  
6.50 News.  
7.00 News.  
7.10 News.  
7.20 News.  
7.30 News.  
7.40 News.  
7.50 News.  
8.00 News.  
8.10 News.  
8.20 News.  
8.30 News.  
8.40 News.  
8.50 News.  
9.00 News.  
9.10 News.  
9.20 News.  
9.30 News.  
9.40 News.  
9.50 News.  
10.00 News.  
10.10 News.  
10.20 News.  
10.30 News.  
10.40 News.  
10.50 News.  
11.00 News.  
11.10 News.  
11.20 News.  
11.30 News.  
11.40 News.  
11.50 News.  
12.00 News.  
12.10 News.  
12.20 News.  
12.30 News.  
12.40 News.  
12.50 News.  
1.00 News.  
1.10 News.  
1.20 News.  
1.30 News.  
1.40 News.  
1.50 News.  
2.00 News.  
2.10 News.  
2.20 News.  
2.30 News.  
2.40 News.  
2.50 News.  
3.00 News.  
3.10 News.  
3.20 News.  
3.30 News.  
3.40 News.  
3.50 News.  
4.00 News.  
4.10 News.  
4.20 News.  
4.30 News.  
4.40 News.  
4.50 News.  
5.00 News.  
5.10 News.  
5.20 News.  
5.30 News.  
5.40 News.  
5.50 News.  
6.00 News.  
6.10 News.  
6.20 News.  
6.30 News.  
6.40 News.  
6.50 News.  
7.00 News.  
7.10 News.  
7.20 News.  
7.30 News.  
7.40 News.  
7.50 News.  
8.00 News.  
8.10 News.  
8.20 News.  
8.30 News.  
8.40 News.  
8.50 News.  
9.00 News.  
9.10 News.  
9.20 News.  
9.30 News.  
9.40 News.  
9.50 News.  
10.00 News.  
10.10 News.  
10.20 News.  
10.30 News.  
10.40 News.  
10.50 News.  
11.00 News.  
11.10 News.  
11.20 News.  
11.30 News.  
11.40 News.  
11.50 News.  
12.00 News.  
12.10 News.  
12.20 News.  
12.30 News.  
12.40 News.  
12.50 News.  
1.00 News.  
1.10 News.  
1.20 News.  
1.30 News.  
1.40 News.  
1.50 News.  
2.00 News.  
2.10 News.  
2.20 News.  
2.30 News.  
2.40 News.  
2.50 News.  
3.00 News.  
3.10 News.  
3.20 News.  
3.30 News.  
3.40 News.  
3.50 News.  
4.00 News.  
4.10 News.  
4.20 News.  
4.30 News.  
4.40 News.  
4.50 News.  
5.00 News.  
5.10 News.  
5.20 News.  
5.30 News.  
5.40 News.  
5.50 News.  
6.00 News.  
6.10 News.  
6.20 News.  
6.30 News.  
6.40 News.  
6.50 News.  
7.00 News.  
7.10 News.  
7.20 News.  
7.30 News.  
7.40 News.  
7.50 News.  
8.00 News.  
8.10 News.  
8.20 News.  
8.30 News.  
8.40 News.  
8.50 News.  
9.00 News.  
9.10 News.  
9.20 News.  
9.30 News.  
9.40 News.  
9.50 News.  
10.00 News.  
10.10 News.  
10.20 News.  
10.30 News.  
10.40 News.  
10.50 News.  
11.00 News.  
11.10 News.  
11.20 News.  
11.30 News.  
11.40 News.  
11.50 News.  
12.00 News.  
12.10 News.  
12.20 News.  
12.30 News.  
12.40 News.  
12.50 News.  
1.00 News.  
1.10 News.  
1.20 News.  
1.30 News.  
1.40 News.  
1.50 News.  
2.00 News.  
2.10 News.  
2.20 News.  
2.30 News.  
2.40 News.  
2.50 News.  
3.00 News.  
3.10 News.  
3.20 News.  
3.30 News.  
3.40 News.  
3.50 News.  
4.00 News.  
4.10 News.  
4.20 News.  
4.30 News.  
4.40 News.  
4.50 News.  
5.00 News.  
5.10 News.  
5.20 News.  
5.30 News.  
5.40 News.  
5.50 News.  
6.00 News.  
6.10 News.  
6.20 News.  
6.30 News.  
6.40 News.  
6.50 News.  
7.00 News.  
7.10 News.  
7.20 News.  
7.30 News.  
7.40 News.  
7.50 News.  
8.00 News.  
8.10 News.  
8.20 News.  
8.30 News.  
8.40 News.  
8.50 News.  
9.00 News.  
9.10 News.  
9.20 News.  
9.30 News.  
9.40 News.  
9.50 News.  
10.00 News.  
10.10 News.  
10.20 News.  
10.30 News.  
10.40 News.  
10.50 News.  
11.00 News.  
11.10 News.  
11.20 News.  
11.30 News.  
11.40 News.  
11.50 News.  
12.00 News.  
12.10 News.  
12.20 News.  
12.30 News.  
12.40 News.  
12.50 News.  
1.00 News.  
1.10 News.  
1.20 News.  
1.30 News.  
1.40 News.  
1.50 News.  
2.00 News.  
2.10 News.  
2.20 News.  
2.30 News.  
2.40 News.  
2.50 News.  
3.00 News.  
3.10 News.  
3.20 News.  
3.30 News.  
3.40 News.  
3.50 News.  
4.00 News.  
4.10 News.  
4.20 News.  
4.30 News.  
4.40 News.  
4.50 News.  
5.00 News.  
5.10 News.  
5.20 News.  
5.30 News.  
5.40 News.  
5.50 News.  
6.00 News.  
6.10 News.  
6.20 News.  
6.30 News.  
6.40 News.  
6.50 News.  
7.00 News.  
7.10 News.  
7.20 News.  
7.30 News.  
7.40 News.  
7.50 News.  
8.00 News.  
8.10 News.  
8.20 News.  
8.30 News.  
8.40 News.  
8.50 News.  
9.00 News.  
9.10 News.  
9.20 News.  
9.30 News.  
9.40 News.  
9.50 News.  
10.00 News.  
10.10 News.  
10.20 News.  
10.30 News.  
10.40 News.  
10.50 News.  
11.00 News.  
11.10 News.  
11.20 News.  
11.30 News.  
11.40 News.  
11.50 News.  
12.00 News.  
12.10 News.  
12.20 News.  
12.30 News.  
12.40 News.  
12.50 News.  
1.00 News.  
1.10 News.  
1.20 News.  
1.30 News.  
1.40 News.  
1.50 News.  
2.00 News.  
2.10 News.  
2.20 News.  
2.30 News.  
2.40 News.  
2.50 News.  
3.00 News.  
3.10 News.  
3.20 News.  
3.30 News.  
3.40 News.  
3.50 News.  
4.00 News.  
4.10 News.  
4.20 News.  
4.30 News.  
4.40 News.  
4.50 News.  
5.00 News.  
5.10 News.  
5.20 News.  
5.30 News.  
5.40 News.  
5.50 News.  
6.00 News.  
6.10 News.  
6.20 News.  
6.30 News.  
6.40 News.  
6.50 News.  
7.00 News.  
7.10 News.  
7.20 News.  
7.30 News.  
7.40 News.  
7.50 News.  
8.00 News.  
8.10 News.  
8.20 News.  
8.30 News.  
8.40 News.  
8.50 News.  
9.00 News.  
9.10 News.  
9.20 News.  
9.30 News.  
9.40 News.  
9.50 News.  
10.00 News.  
10.10 News.  
10.20 News.  
10.30 News.  
10.40 News.  
10.50 News.  
11.00 News.  
11.10 News.  
11.20 News.  
11.30 News.  
11.40 News.  
11.50 News.  
12.00 News.  
12.10 News.  
12.20 News.  
12.30 News.  
12.40 News.  
12.50 News.  
1.00 News.  
1.10 News.  
1.20 News.  
1.30 News.  
1.40 News.  
1.50 News.  
2.00 News.  
2.10 News.  
2.20 News.  
2.30 News.  
2.40 News.  
2.50 News.  
3.00 News.  
3.10 News.  
3.20 News.  
3.30 News.  
3.40 News.  
3.50 News.  
4.00 News.  
4.10 News.  
4.20 News.  
4.30 News.  
4.40 News.  
4.50 News.  
5.00 News.  
5.10 News.  
5.20 News.  
5.30 News.  
5.40 News.  
5.50 News.  
6.00 News.  
6.10 News.  
6.20 News.  
6.30 News.  
6.40 News.  
6.50 News.  
7.00 News.  
7.10 News.  
7.20 News.  
7.30 News.  
7.40 News.  
7.50 News.  
8.00 News.  
8.10 News.  
8.20 News.  
8.30 News.  
8.40 News.  
8.50 News.  
9.00 News.  
9.10 News.  
9.20 News.  
9.30 News.  
9.40 News.  
9.50 News.  
10.00 News.  
10.10 News.  
10.20 News.  
10.30 News.  
10.40 News.  
10.50 News.  
11.00 News.  
11.10 News.  
11.20 News.  
11.30 News.  
11.40 News.  
11.50 News.  
12.00 News.  
12.10 News.  
12.20 News.  
12.30 News.  
12.40 News.  
12.50 News.  
1.00 News.  
1.10 News.  
1.20 News.  
1.30 News.  
1.40 News.  
1.50 News.  
2.00 News.  
2.10 News.  
2.20 News.  
2.30 News.  
2.40 News.  
2.50 News.  
3.00 News.  
3.10 News.  
3.20 News.  
3.30 News.  
3.40 News.  
3.50 News.  
4.00 News.  
4.10 News.  
4.20 News.  
4.30 News.  
4.40 News.  
4.50 News.  
5.00 News.  
5.10 News.  
5.20 News.  
5.30 News.  
5.40 News.  
5.50 News.  
6.00 News.  
6.10 News.  
6.20 News.  
6.30 News.  
6.40 News.  
6.50 News.  
7.00 News.  
7.10 News.  
7.20 News.  
7.30 News.  
7.40 News.  
7.50 News.  
8.00 News.  
8.10 News.  
8.20 News.  
8.30 News.  
8.40 News.  
8.50 News.  
9.00 News.  
9.10 News.  
9.20 News.  
9.30 News.  
9.40 News.  
9.50 News.  
10.00 News.  
10.10 News.  
10.20 News.  
10.30 News.  
10.40 News.  
10.50 News.  
11.00 News.  
11.10 News.  
11.20 News.  
11.30 News.  
11.40 News.  
11.50 News.  
12.00 News.  
12.10 News.  
12.20 News.  
12.30 News.  
12.40 News.  
12.50 News.  
1.00 News.  
1.10 News.  
1.20 News.  
1.30 News.  
1.40 News.  
1.50 News.  
2.00 News.  
2.10 News.  
2.20 News.  
2.30 News.  
2.40 News.  
2.50 News.  
3.00 News.  
3.10 News.  
3.20 News.  
3.30 News.  
3.40 News.  
3.50 News.  
4.00 News.  
4.10 News.  
4.20 News.  
4.30 News.  
4.40 News.  
4.50 News.  
5.00 News.  
5.10 News.  
5.20 News.  
5.30 News.  
5.40 News.  
5.50 News.  
6.00 News.  
6.10 News.  
6.20 News.  
6.30 News.  
6.40 News.  
6.50 News.  
7.00 News.  
7.10 News.  
7.20 News.  
7.30 News.  
7.40 News.  
7.50 News.  
8.00 News.  
8.10 News.  
8.20 News.  
8.30 News.  
8.40 News.  
8.50 News.  
9.00 News.  
9.10 News.  
9.20 News.  
9.30 News.  
9.40 News.  
9.50 News.  
10.00 News.  
10.10 News.  
10.20 News.  
10.30 News.  
10.40 News.  
10.50 News.  
11.00 News.  
11.10 News.  
11.20 News.  
11.30 News.  
11.40 News.  
11.50 News.  
12.00 News.  
12.10 News.  
12.20 News.  
12.30 News.  
12.40 News.  
12.50 News.  
1.00 News.  
1.10 News.  
1.20 News.  
1.30 News.  
1.40 News.  
1.50 News.  
2.00 News.  
2.10 News.  
2.20 News.  
2.30 News.  
2.40 News.  
2.50 News.  
3.00 News.  
3.10 News.  
3.20 News.  
3.30 News.  
3.40 News.  
3.50 News.  
4.00 News.  
4.10 News.  
4.20 News.  
4.30 News.  
4.40 News.  
4.50 News.  
5.00 News.  
5.10 News.  
5.20 News.  
5.30 News.  
5.40 News.  
5.50 News.  
6.00 News.  
6.10 News.  
6.20 News.  
6.30 News.  
6.40 News.  
6.50 News.  
7.00 News.  
7.10 News.  
7.20 News.  
7.30 News.  
7.40 News.  
7.50 News.  
8.00 News.  
8.10 News.  
8.20 News.  
8.30 News.  
8.40 News.  
8.50 News.  
9.00 News.  
9.10 News.  
9.20 News.  
9.30 News.  
9.40 News.  
9.50 News.  
10.00 News.  
10.10 News.  
10.20 News.  
10.30 News.  
10.40 News.  
10.50 News.  
11.00 News.  
11.10 News.  
11.20 News.  
11.30 News.  
11.40 News.  
11.50 News.  
12.00 News.  
12.10 News.  
12.20 News.  
12.30 News.  
12.40 News.  
12.50 News.  
1.00 News.  
1.10 News.  
1.20 News.  
1.30 News.  
1.40 News.  
1.50 News.  
2.00 News.  
2.10 News.  
2.20 News.  
2.30 News.  
2.40 News.  
2.50 News.  
3.00 News.  
3.10 News.  
3.20 News.  
3.30 News.  
3.40 News.  
3.50 News.  
4.00 News.  
4.10 News.  
4.20 News.  
4.30 News.  
4.40 News.  
4.50 News.  
5.00 News.  
5.10 News.  
5.20 News.  
5.30 News.  
5.40 News.  
5.50 News.  
6.00 News.  
6.10 News.  
6.20 News.  
6.30 News.  
6.40 News.  
6.50 News.  
7.00 News.  
7.10 News.  
7.20 News.  
7.30 News.  
7.40 News.  
7.50 News.  
8.00 News.  
8.10 News.  
8.20 News.  
8.30 News.  
8.40 News.  
8.50 News.  
9.00 News.  
9.10 News.  
9.20 News.  
9.30 News.  
9.40 News.  
9.50 News.  
10.00 News.  
10.10 News.  
10.20 News.  
10.30 News.  
10.40 News.  
10.50 News.  
11.00 News.  
11.10 News.  
11.20 News.  
11.30 News.  
11.40 News.  
11.50 News.  
12.00 News.  
12.10 News.  
12.20 News.  
12.30 News.  
12.40 News.  
12.50 News.  
1.00 News.  
1.10 News.  
1.20 News.  
1.30 News.  
1.40 News.  
1.50 News.  
2.00 News.  
2.10 News.  
2.20 News.  
2.30 News.  
2.40 News.  
2.50 News.  
3.00 News.  
3.10 News.  
3.20 News.  
3.30 News.  
3.40 News.  
3.50 News.  
4.00 News.  
4.10 News.  
4.20 News.  
4.30 News.  
4.40 News.  
4.50 News.  
5.00 News.  
5.10 News.  
5.20 News.  
5.30 News.  
5.40 News.  
5.50 News.  
6.00 News.  
6.10 News.  
6.20 News.  
6.30 News.  
6.40 News.  
6.50 News.  
7.00 News.  
7.10 News.  
7.20 News.  
7.30 News.  
7.40 News.  
7.50 News.  
8.00 News.  
8.10 News.  
8.20 News.  
8.30 News.  
8.40 News.  
8.50 News.  
9.00 News.  
9.10 News.  
9.20 News.  
9.30 News.  
9.40 News.  
9.50 News.  
10.00 News.  
10.10 News.  
10.20 News.  
10.30 News.  
10.40 News.  
10.50 News.  
11.00 News.  
11.10 News.  
11.20 News.  
11.30 News.  
11.40 News.  
11.50 News.  
12.00 News.  
12.10 News.  
12.20 News.  
12.30 News.  
12.40 News.  
12.50 News.  
1.00 News.  
1.10 News.  
1.20 News.  
1.30 News.  
1.40 News.  
1.50 News.  
2.00 News.  
2.10 News.  
2.20 News.  
2.30 News.  
2.40 News.  
2.50 News.  
3.00 News.  
3.10 News.  
3.20 News.  
3.30 News.  
3.40 News.  
3.50 News.  
4.00 News.  
4.10 News.  
4.20 News.  
4.30 News.  
4.40 News.  
4.50 News.  
5.00 News.  
5.10 News.  
5.20 News.  
5.30 News.  
5.40 News.  
5.50 News.  
6.00 News.  
6.10 News.  
6.20 News.  
6.30 News.  
6.40 News.  
6.50 News.  
7.00 News.  
7.10 News.  
7.20 News.  
7.30 News.  
7.40 News.  
7.50 News.  
8.00 News.  
8.10 News.  
8.20 News.  
8.30 News.  
8.40 News.  
8.50 News.  
9.00 News.  
9.10 News.  
9.20 News.  
9.30 News.  
9.40 News.  
9.50 News.  
10.00 News.  
10.10 News.  
10.20 News.  
10.30 News.  
10.40 News.  
10.50 News.  
11.00 News.  
11.10 News.  
11.20 News.  
11.30 News.  
11.40 News.  
11.50 News.  
12.00 News.  
12.10 News.  
12.20 News.  
12.30 News.  
12.40 News.  
12.50 News.  
1.00 News.  
1.10 News.  
1.20 News.  
1.30 News.  
1.40 News.  
1.50 News.  
2.00 News.  
2.10 News.  
2.20 News.  
2.30 News.  
2.40 News.  
2.50 News.  
3.00 News.  
3.10 News.  
3.20 News.  
3.30 News.  
3.40 News.  
3.50 News.  
4.00 News.  
4.10 News.  
4.20 News.  
4.30 News.  
4.40 News.  
4.50 News.  
5.00 News.  
5.10 News.  
5.20 News.  
5.30 News.  
5.40 News.  
5.50 News.  
6.00 News.  
6.10 News.  
6.20 News.  
6.30 News.  
6.40 News.  
6.50 News.  
7.00 News.  
7.10 News.  
7.20 News.  
7.30 News.  
7.40 News.  
7.50 News.  
8.00 News.  
8.10 News.  
8.20 News.  
8.30 News.  
8.40 News.  
8.50 News.  
9.00 News.  
9.10 News.  
9.20 News.  
9.30 News.  
9.40 News.  
9.50 News.  
10.00 News.  
10.10 News.  
10.20 News.  
10.30 News.  
10.40 News.  
10.50 News.  
11.00 News.  
11.10 News.  
11.20 News.  
11.30 News.  
11.40 News.  
11.50 News.  
12.00 News.  
12.10 News.  
12.20 News.  
12.30 News.  
12.40 News.  
12.50 News.  
1.00 News.  
1.10 News.  
1.20 News.  
1.30 News.  
1.40 News.  
1.50 News.  
2.00 News.  
2.10 News.  
2.20 News.  
2.30 News.  
2.40 News.  
2.50 News.  
3.00 News.  
3.10 News.  
3.20 News.  
3.30 News.  
3.40 News.  
3.50 News.  
4.00 News.  
4.10 News.  
4.20 News.  
4.30 News.  
4.40 News.  
4.50 News.  
5.00 News.  
5.10 News.  
5.20 News.  
5.30 News.  
5.40 News.  
5.50 News.  
6.00 News.  
6.10 News.  
6.20 News.  
6.30 News.  
6.40 News.  
6.50 News.  
7.00 News.  
7.10 News.  
7.20 News.  
7.30 News.  
7.40 News.  
7.50 News.  
8.00 News.  
8.10 News.  
8.20 News.  
8.30 News.  
8.40 News.  
8.50 News.  
9.00 News.  
9.10 News.  
9.20 News.  
9.30 News.  
9.40 News.  
9.50 News.  
10.00 News.  
10.10 News.  
10.20 News.  
10.30 News.  
10.40 News.  
10.50 News.  
11.00 News.  
11.10 News.  
11.20 News.  
11.30 News.  
11.40 News.  
11.50 News.  
12.00 News.  
12.10 News.  
12.20 News.  
12.30 News.  
12.40 News.  
12.50 News.  
1.00 News.  
1.10 News.  
1.20 News.  
1.30 News.  
1.40 News.  
1.50 News.  
2.00 News.  
2.10 News.  
2.20 News.  
2.30 News.  
2.40 News.  
2.50 News.  
3.00 News.  
3.10 News.  
3.20 News.  
3.30 News.  
3.40 News.  
3.50 News.  
4.00 News.  
4.10 News.  
4.20 News.  
4.30 News.  
4.40 News.  
4.50 News.  
5.00 News.  
5.10 News.  
5.20 News.  
5.30 News.  
5.40 News.  
5.50 News.  
6.00 News.  
6.10 News.  
6.20 News.  
6.30 News.  
6.40 News.  
6.50 News.  
7.00 News.  
7.10 News.  
7.20 News.  
7.30 News.  
7.40 News.  
7.50 News.  
8.00 News.  
8.10 News.  
8.20 News.  
8.30 News.  
8.40 News.  
8.50 News.  
9.00 News.  
9.10 News.  
9.20 News.  
9.30 News.  
9.40 News.  
9.50 News.  
10.00 News.  
10.10 News.  
10.20 News.  
10.30 News.  
10.40 News.  
10.50 News.  
11.00 News.  
11.10 News.  
11.20 News.  
11.30 News.  
11.40 News.  
11.50 News.  
12.00 News.  
12.10 News.  
12.20 News.  
12.30 News.  
12.40 News.  
12.50 News.  
1.00 News.  
1.10 News.  
1.20 News.  
1.30 News.  
1.40 News.  
1.50 News.  
2.00 News.  
2.10 News.  
2.20 News.  
2.30 News.  
2.40 News.  
2.50 News.  
3.00 News.  
3.10 News.  
3.20 News.  
3.30 News.  
3.40 News.  
3.50 News.  
4.00 News.  
4.10 News.  
4.20 News.  
4.30 News.  
4.40 News.  
4.50 News.  
5.00 News.  
5.10 News.  
5.20 News.  
5.30 News.  
5.40 News.  
5.50 News.  
6.00 News.  
6.10 News.  
6.20 News.  
6.30 News.  
6.40 News.  
6.50 News.  
7.00 News.  
7.10 News.  
7.20 News.  
7.30 News.  
7.40 News.  
7.50 News.  
8.00 News.  
8.10 News.  
8.20 News.  
8.30 News.  
8.40 News.  
8.50 News.  
9.00 News.  
9.10 News.  
9.20 News.  
9.30 News.  
9.40 News.  
9.50 News.  
10.00 News.  
10.10 News.  
10.20 News.  
10.30 News.  
10.40 News.  
10.50 News.  
11.00 News.  
11.10 News.  
11.20 News.  
11.30 News.  
11.40 News.  
11.50 News.  
12.00 News.  
12.10 News.  
12.20 News.  
12.30 News.  
12.40 News.  
12.50 News.  
1.00 News.  
1.10 News.  
1.20 News.  
1.30 News.  
1.40 News.  
1.50 News.  
2.00 News.  
2.10 News.  
2.20 News.  
2.30 News.  
2.40 News.  
2.50 News.  
3.00 News.  
3.10 News.  
3.20 News.  
3.30 News.  
3.40 News.  
3.50 News.  
4.00 News.  
4.10 News.  
4.20 News.  
4.30 News.  
4.40 News.  
4.50 News.  
5.00 News.  
5.10 News.  
5.



## THE ARTS



Lillian Watson (Blonde), James Hoback (Pedrillo), Valerie Masterson (Constanze) and Gsta Winbergh (Belmonte)

Glyndebourne

## Die Entführung by MAX LOPPERT

Glyndebourne opened its 1980 season with a new Entführung, funded by the Dresdner Bank and Deutsche BP. Tuesday's performance unveiled for us one of the silliest and most musically insensitive productions of a Mozart opera you could ever wish to be spared. This is bad enough; in recent seasons, Glyndebourne has taken its Mozart very seriously, and the present bout of silliness is more than a retrograde step: it amounts to a fall from grace. Equally depressing is the quantity of good ingredients used in the mixture: an attractive cast; a most promising debut by the young Austrian conductor Gustav Kuhn; designs by William Dudley that are both delightfully decorative and (mostly) practical.

A single ray of hope for the future may be found—if Peter Wood's production were scrapped in its entirety, everything and everyone else could be allowed to remain to do honour to Mozart.

Meanwhile, this season at least, we are stuck with Mr. Wood. The style of his production might be described as a series of energetically proffered encouragements not to concentrate on the musical riches of the opera. These are two kinds, both made with equal ineptness: the farcical—any production that upon the march rhythms of the overture imposes a pantomime with joke Turkish guards jolly marching leaves early warning of its quality—and the pseudo-serious. By the latter is meant the run-

ning symbolism of the cages—being both "Traurigkeit" and "Marten alle Arten" a full aviary of live birds, bills and coos away with easily predicted effect (not, apparently by the producer) on audience attention—and the peripatetic incursions of a quartet of European prisoners in chains (in the first chorus and the C Minor section of the Blonde-Osmin duet their straggling across the stage was a particularly gross intrusion). Mr. Wood's purpose, clearly, is to show an audience that he has discovered more in Mozart than just good fun—though of this there is, despite the larks, sadly little. It soon becomes impossible to evince a jot of interest in ideas so crudely and consistently conceived against the grain of the music.

The point is worth making, forcefully: for my guess is that people encountering the opera for the first time in this reading of it, may be tempted to dismiss it as no more than a mild jape with agreeable musical accompaniment. This constitutes an unkindness to them and a cause for anger in others who love the work for its almost extravagant beauties of form, texture, instrumentation, and melody, its emotional amplitude, the exhilarating sensation it leaves of the young Mozart bursting through the bounds of the singeing with the abundance of his musical invention. (Brigitte Brophy contends that the opera is "about love and about society": we need not agree with both parts of her statement to share her feeling that it is about something. Heaven knows

it is a difficult proposition for producer and cast—difficult in its dramatic proportions, difficult in its balance of light and serious strains, and (not least important) difficult to sing and play. But surely no performance should leave an audience pondering the implied question: was it really worth doing at all?

All this said, it is a source of wonder that there were still things to enjoy in Tuesday's performance. Valerie Masterson, a Constanze who at the Coliseum and the Paris Opera set the vocal lines soaring and glowing, was not in her roundest or most radiant voice; even so, hers was a most distinguished assumption. (In wig, costume colour, and make up, one of the most attractive women currently on the Lyric stage was made to look disarmingly frumpish.)

I much liked the youthfully ardent bearing of the Swedish tenor Gsta Winbergh. His singing, too: the voice is not sweet and seductive throughout its compass (and, though bravely flourished yet quite agile enough for "ich baue ganz"), but it commands a natural resource of romantic emotion.

Lillian Watson's fluent, spirited Blonde and Willard White's handsome, imposing Osmin are both familiar from Welsh National performances; Mr. White lacks true low notes, and in his fine figure and stage personality there is a degree of nobility not easy to reconcile with the character, vengeful and crafty by turns, of the overseer. The most severe production

casualty of the cast was the young American, James Hoback: beneath the gold-rimmed spectacles, head band, and college-boy bumpiness forced on his Pedrillo it was just possible to recognise the pleasing, fresh player in the St. Louis Albert Herring shown on British television last year.

Orchestrally, there were riches. Indeed, in the full-toned LFO sound, and spacious movement of the opera, it could be divined that the conductor's view of the opera differed radically from the producer's: the singers were invited to treat their accompanied recitatives intensely and meaningfully, although in the one preceding "Traurigkeit" and in the aria itself, the process was taken too far, especially considering the diversions on stage. Mr. Kuhn's interpretation sorts well, at least, with the beautifully detailed filigree of the designs, their sense of a cool, secret Levantine courtyard, exotically shaded and scented. (The box set in which the drinking scene and quartet are played is a structural miscalculation much like the one that has collapsed Mozart's three acts into two.) There is a full share of spoken dialogue, mostly so slowly and so jerkily at times as to inspire a passionate craving for the pruning shears; for this reason, and for others listed earlier, Thomas Thomaske as the Bassa (in this year's Magic Flute revival he returns as Sarastro) has been prevented from making anything of what should be a most rewarding role.

Festival Hall

## George Lloyd

by ANDREW CLEMENTS

It is evidently a week for ventilating some of the dustier corners of 20th-century English music. After Sunday's epic presentation of Havergal Brian's *Gothic Symphony* on Tuesday evening, the Philharmonia Orchestra introduced to London a symphony by George Lloyd, his eighth, conducted with great affection by Edward Downes.

For much of his life Lloyd has been a voluntary exile from the musical world. He was born in 1913, studied the violin with Albert Sammons and composition with Harold Farjeon, and before the Second World War had created quite an impression with his first two operas, the second of which was produced at Covent Garden. War service left him with shell shock, from which he was slow to recover; in 1951 he finished a Festival of Britain commission for the Carl Rosa Opera Company, but he was so exhausted by the tribulations of its staging that he gave up music. He went into business, prospered, and returned only gradually to composition.

Performances have followed slowly. John Ogdon has played Lloyd's first piano concerto, and Edward Downes has also conducted the fifth and seventh symphonies. Lyrita is releasing a recording of the Eighth. The Festival Hall performance was rapturously received, and the music does fall easily and immediately to the ear. The idiom is easy, to place between

Vaughan Williams (the sixth and eighth symphonies) and Walton (the lighter overtures). It is very obviously the work of a composer who has fully absorbed his craft, and the demands made on the orchestra are severe but rewarding.

The three movements of the eighth symphony play for 45 minutes. It is difficult to escape the thought that the material does not begin to justify such lengthy treatment, or that its progress is anything more than a series of sweetly perfumed moments, given apparent purpose by strategically sited climaxes. The first movement begins with a suggestion of strenuous thematic working, but it soon gives way to more diffuse thoughts and to music pervaded by a cloying good humour. So the work proceeds, through a Largo leading to an Allegretto that struggles to maintain a solemnity, and on to a finale that makes all the conventional rowdy, triumphant noises.

The mind is almost kept from straying by admiration for the many felicities in the scoring, particularly in the writing for the violins, the brass and upper woodwind. A brief clarinet solo in the centre of the second movement is the most memorable idea in the symphony. But in retrospect the rest seems like a succession of moods, vividly sketched but only vaguely brought together.

Festival Hall

## Laine/Galway

It was quite cheeky of Cleo Laine and James Galway to hire the Festival Hall to promote the album they have concocted between them. Perhaps the best excuse for the bravado was that they were presented with gold discs on stage, very rapid sales proof that the combination of Cleo Laine's dramatic honed voice and James Galway's fluting are just what the public ordered.

In practice the duo kept themselves to themselves for much of the time. Galway monopolised the first half with a succession of pop songs, Irish airs, and pepped up classics that bring in the money but fail to test his skill as a flautist one jot. It is a rather upsetting rejection of talent.

In contrast, Cleo Laine was in excellent voice after the interval. She really is the best jazz singer any country could hope to nourish but here again an attack of Galwayitis is per-

suading her away from jazz into the sticky waters of mainstream pop. Her selection of show tunes was fine; her blues, well accompanied by John Dankworth on saxophone and heavy with feeling; even her version of the archetypal contemporary love song Billy Joel's "Just the way you are" threw new light on the over-familiar.

But when they finally merged their talents there was little to show for it. Cleo Laine's extraordinary ranging voice has always been best suited to her husband's wind instruments; the flute's slightly shallow sound is not the best partner and tends to fade into background accompaniment. Perhaps in songs like "Skylark" the combination is more than the sum of its parts but basically Cleo Laine and James Galway have hit on a splendid commercial gimmick rather than any musical innovation. ANTHONY THORNCROFT

Lyric Hammersmith Studio

## Livingstone

by MICHAEL COVENEY

David Pownall's small but long play, first seen at the Edinburgh Festival two years ago, is an improvisation on the extent fragments of Livingstone's Kolobeng Journal of 1848-49. It charts the conversion of Sechele, chief of the Crocodile Tribe on a dried-up river, who is promised salvation in exchange for renouncing his five wives.

Sechele was Livingstone's first major convert after seven years in Africa but Mr. Pownall offers no pat theories on the good or evil of the missionary position. And, talking of which he declines to exploit any cheap comparison between Mr. and Mrs. Livingstone's sex life and the more exultant copulation of Sechele and Makokon, one of the five whose womb bears fruit on the night of her chief's baptism. There is a stark contrast, however, between the dour Scottish home life of the Livingstones and the exotic habits of the other couple fenced in, on Dermot Hayes' evocative set, behind a circle of sharpened poles. A

communion service is disrupted by Sechele's ritualistic drinking of snake water, and his bare bosom companion exudes a sexual confidence foreign to the corseted primness of Mrs. Livingstone.

As in every other Pownall play I have seen, the cultural collision is carefully arranged without resulting in anything you could describe as compulsive drama. There is an odd deadness at the centre of the piece, despite the rigmarole of Joe Marcell's feathers and drum beats, despite the devious trickery in Peter Kelly's powerful performance as the explorer.

Anni Dominga is decisively impressive as Makokon, giving a strong portrait of native resentment while Jennifer Pierrey's cool and patient Mrs. Livingstone hovers sanely on the sidelines. Peter Lichtenfels' production amounts to an offbeat but curiously unpersuasive evening of hard-won entertainment. It all seems such a very long time ago and, when it strikes occasionally home, nonetheless pedantic.



Peter Kelly (Livingstone) and Joe Marcelli (Sechele)

## Record Review

## Small, quiet voices by RONALD CRICHTON

Byrd The complete Masses. Motets. Deller Consort. Harmonia mundi (France). Three records in box. HM 211/13.

Tallis The Lamentations of Jeremiah. Hymns (plain chant and polyphonic). Deller Consort. Harmonia mundi (France) HM 208.

M.A. Charpentier Leçons de ténébres (Vendredi Saint). Six Répons du Mercredi. Nelson, Verkinderen, Jacobs, Christie, Kuitjen, Glaff, Jungbädel. Two records in box. Harmonia mundi (France) HM 1008/09.

Purcell Theatre Music, vol. IV (The Virtuous Wife, Amphitryon, The Old Bachelor). Nelson, Hill, Keyte/Academy of Ancient Music/Hogwood. Oiseau-Lyre Florilegium series. DSOLO 550.

Holst "Music for Strings, Percussion and Cello." Purcell Singers/ECO/L. Holst. Two records in album. Argo ZK 74/75.

It is wrong to separate Byrd's Masses from their liturgical purpose and indeed the inextricable closeness of text and music makes it hard to do so. Yet the composer's mastery is so absolute, that playing them in consecutive sessions with half one's mind, one begins to place them on a level with the highest instrumental chamber music, with, say, Mozart's Quartets and great Divertimenti for string trio, K563.

The secret intimacy pervading the Mass for Three Voices, the vigour and assertiveness of that for Four Voices,

the serene grandeur of the Five-Voice Mass, each time as it were, Byrd illuminating the meaning of the text from a new angle—these are on a Mozartian plane of achievement.

There is more splendid music among the twenty-odd Motets on the reverse sides of the three discs containing the Masses. Some are joyful and extrovert, some inward, "O magnum mysterium" glows and burns. The hymn-like "Christie qui lux es et dies" makes a marvellous close. Unlike some firms who spread themselves on leaflets with irrelevant illustrations and inessential information about the artists, French Harmonia Mundi give the barest information, with a note on the Masses adapted from Edmund Fellowes and nothing at all about the motets apart from their titles. Too far in the other direction!

The Byrd box and the single disc containing the Tallis Lamentations and some Hymns were made by the Deller Consort not long, I understand, before the founder's death. Alfred Deller was the first counter-tenor many of us encountered in the concert hall or on record and none of his many eminent successors rivalled the speed with which by sheer artistry, force of personality and precision of interpretation, he could reconcile one to that initially uncomfortable sound. These records reveal the artistry undimmed, as many a phrase in Byrd and the somberly magnificent pages of Tallis attest. Round himself Deller built an ensemble homogeneous in style and feeling but with no ironing out of the other

individualities—one can't help remarking the musicianship and resilience of the first soprano, Honor Sheppard.

The Charpentier album, also from Harmonia Mundi, is a sequel to one enthusiastically reviewed here about 18 months ago. The new records include Lessons for Good Friday (from the Lamentations of Jeremiah, overlapping with the text set by Tallis and Responses for Wednesday in Holy Week. Two sopranos, a male alto also functioning as "haute-contre" or high tenor, four instruments—violin, viola, harpsichord, organ and theorbo. I must repeat a warning made last time to the effect that this extraordinary music, at once intimate, austere and ornate, may disconcert those whose ideas of Baroque is rooted in Vivaldi. Gregorian chant flowers into intricate melisma. In a hyper-articulate, elegant and very French way, penitent souls are laid bare.

The singers (Judith Nelson, Anne Verkinderen, René Jacobs), and with the addition of Adelheid Glaff the players, are the same as before. They include the superb Wieland Kuitjen, whose bass-vocal line, so perfectly tuned, phrased with the grand simplicity of a Casals, inclines one to be unappreciative of the watery wheezings so often suffered from continuo players. The music is not all elaborate gloom—some of the Responses have a Monteverdian warmth. Though in his alto capacity Mr. Jacobs lets slip a hoof or two, the singing persuasively combines steadiness with sensitive inflection. Strongly recommended, both for rarity and for excellence.

The fourth volume (single disc) in the Florilegium series of Purcell's Theatre Music from Oiseau-Lyre covers three plays put on at Drury Lane in the 1690s by the great Restoration actor, Betterton: D'Urfey's *The Virtuous Wife*, Dryden's *Amphitryon*, Congreve's *The Old Bachelor*. There are overtures, songs, duets, and many dances, music of wonderful, sappy, glinting vigour with occasional shafts of deep melancholy. Judith Nelson, heard in the Charpentier recordings, is here again (note the nice mock-perfurbation of her "O Kiss me longer, and longer yet, and

longer"), with Martyn Hill and Christopher Keyte. The Academy of Ancient Music, under Christopher Hogwood, play with almost salacious zest. The brilliant attack of which Baroque violins are capable is something that came late in our education to authenticity.

The Holst album contains re-pressings of distinguished recordings made chiefly by the Purcell Singers and members of the English Chamber Orchestra under Holst's daughter Imogen, with solo songs masterfully done by Pears, Britten and Norbert Brining (violin). Holst remains partly enigmatic. The fire-and-ice dichotomy was present in two ways, in his own personality translated into his music, and in the historical situation, the stylistic freeze-up that came over much Western music after the late-Romantic sunset, affecting men like Ravel, and Falla as well as Holst.

He varied. Inspiration came and went. Though an admirable craftsman, he was too desperately truthful to fake. His music comes and goes in another sense. A work held dear in memory may come up weakly, while others half or wholly forgotten or never heard (his output was small only in regard to major works) will suddenly surprise. In spite of exemplary performances I was slightly disappointed this time by the song "Betelgeuse" from the Humbert Wolfe set and by the choral "Tomorrow shall be my dancing day," but pleased by "The floral bandit" (also from the Wolfe set), delighted by the unfamiliar Sir Canons of 1932, the soulful dialogue *The Evening Watch* (1925) and most of all by the *Seven Part-Songs* to words by Bridges (1925-26), especially by the remarkable, extended final song—almost a miniature drama—"Assemble all ye maidens."

Musical of the kinds discussed above, involving small forces, is usually unproblematic to record and accordingly likely to be well served, as it has been in these issues. It is also the kind of music that tends to disappear from the catalogues when things get difficult. Since the small, quiet voices can give comfort long after the appeal of the latest starry *Figaro* or whatever has begun to wear off, chances should be taken in time.

**BANK OF BARODA**  
IS NOW IN  
**AUSTRALIA**  
—where some of the  
world's tallest\*  
trees grow.

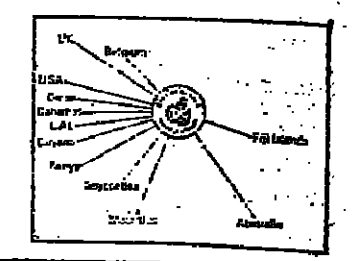
Reaching  
new heights  
has been  
a way of life at  
**BANK OF BARODA**

Australia, the land of the kangaroo, the koala bear and some of the world's tallest trees, is now the newest base of operations for Bank of Baroda.

The 56th link in an international network, Bank of Baroda's Representative Office in Sydney, would provide connections to over 1400 branches in India and 55 offices in eleven other countries.



**Bank of Baroda**  
A Government of India Undertaking  
Representative Office:  
ANK Centre, 9th floor  
30 Bridge Street  
Sydney NSW 2000  
Telephone: 2311544  
Grams: ADORAB  
Telex: 25930



## Arts News in brief

The Arts Council has appointed a new chairman and vice chairman to its drama advisory panel. Marghanita Laski has succeeded Dr. Richard Haggart as chairman. The new vice chairman is John Russell Brown, Professor of Drama at Sussex University, and a member of the scripts department at the National Theatre.

The National Theatre production of Shakespeare's *Sonnets*, normally given over three short early-evening Platform Performances, is to be brought together as a complete cycle at

a single matinee in the Olivier Theatre on Wednesday, July 9 (all tickets £2.50). Narrated and performed by Simon Callow, the sonnets are presented in a new order based on the research of John Padel. The director is Michael Kustow.

The Arts Council has approved theatre writing bursaries of £1,500 to Jonathan Chadwick, Steve Gooch, David Zane Mairowitz and Oliver Wymark and bursaries of £750 to Melissa Murray, Euan Smith, Frederick Harrison and Jack Kaff.



## FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3DF

Telephone: 01-255 5000

Thursday May 29 1980

## Labour goes to Wembley

THE SPECIAL conference of the Labour Party which will take place at Wembley on Saturday is a kind of political equivalent to the TUC's abortive day of action earlier this month. In the words of the National Executive Committee's official purpose is to allow the Party to "present to the British people its plans for overcoming Britain's crisis and proposals for action internationally." It is also an attempt to allow the Party to let off steam at a time when the chances of checking the Government in Parliament are minimal and a general election is still a long way off.

## Growth

There is no harm in that. It is also possible that some of the speakers—Mr. James Callaghan is opening the session and Mr. Anthony Wedgwood Benn is winding up—will have something new to say or at least will produce an arresting restatement of old verities. For the moment, however, all that we have to go on is the statement prepared by the NEC, entitled *Peace, Jobs, Freedom, Labour*. It is a document which will form the subject of the day's debate. The best that can be said of that document, as is already being said by some of the more sensible members of the Party, is that it could be worse. It could, but only just.

With the best will in the world, it is impossible to detect that Labour has learned anything from its periods in office. The central failing of Labour Governments from Harold Wilson's first administration onwards has been the inability to foster economic growth. The Party has repeatedly promised the earth, but has been unable to produce the means to provide it. It is not incidentally a failing confined to Labour, but it is at least to the credit of Mrs. Thatcher's Conservative Party that it has taken the absence of growth as a starting point and set out first to try to create the conditions in which growth might take place. No such re-examination of basic approach has taken place in the Labour Party. Despite the evidence of the past, it is merely assumed that growth can be conjured up by the heavy application of socialist planning.

The demands for state controls go further than many re-

## Intellectuals

The fact that the statement could be produced at all suggests that the real battle in the Labour Party is still to come. In the meantime, it would be helpful if the more moderate members of the Party were to do some rethinking of their own. There are many lessons to be learned from Labour's period of office: for example, the need for lower taxes, greater freedom of choice and the creation of smaller units. None of them are incompatible with social democracy. So far as these alternatives are being considered, however, it is happening in isolation. There is now no coherent group of Labour intellectuals capable of inspiring the imagination. Neither the late Mr. Crosland nor Mr. Roy Jenkins have yet been replaced. The result is that the Labour left appears, in public at least, to be making the running.

## The trouble is lack of skill

THE BRITISH machine tool industry has had the misfortune of being subjected over the years to more official and unofficial investigations than any other manufacturing sector. Neither the reports nor the actions resulting from them appear to have made any significant difference to the industry's performance. One of its weaknesses—the tendency to export standard machine tools and to import the sophisticated equipment for which world demand is growing more rapidly—was identified by the Mitchell Committee in 1980; the diagnosis is still valid today.

## Complex products

Government intervention has had disappointing results. Support for mergers in the late 1960s took no account of the fact that the most successful machine tool industry, that of West Germany, consists predominantly of small firms with plants employing less than 500 people. The rescue of Alfred Herbert in 1975, one of the worst industrial decisions taken by any Government since the war, has failed to achieve its purpose.

The industry continues to be studied and analysed, not because its performance is markedly worse than that of other sectors, but because it occupies a key place in the manufacturing process; it also illustrates problems which are found to a greater or lesser extent throughout mechanical and electrical engineering. The latest attempt to explain what has gone wrong has been made at the National Institute of Economic and Social Research; a summary of the results is contained in the *Economic Review* published this week.

Its most important conclusion is that the industry's inadequacies are related to deficiencies (compared to what is available in competing countries) of engineering expertise at all levels. The deficiencies are not confined to machine tools, but this industry, because of the complexity and precision of its products, and the small batches in which they are made, is peculiarly dependent on the skills of its employees. The authors point out that skilled craftsmen form about the same proportion of the industry's labour force in Britain and Germany, but there is a great difference in the qualifications obtained in the

two countries. In the British apprenticeship system the emphasis is on "serving time." In contrast to Germany, there is no requirement to take examinations which provide a nationally standardised test of competence; moreover the unions insist that all craftsmen are paid the same rate regardless of any further study undertaken or paper qualification obtained.

The study further suggests that the market mechanism in skills has worked to the particular disadvantage of the machine tool industry. With the progress of technology the demand for technically skilled men has risen. Employers may be prepared to pay more for them, but are inhibited by the threat of claims for comparable rises from less skilled workers who want to reduce differentials. Existing skill differentials provide insufficient incentive to acquire the necessary skills; the number of skilled persons (many of whom were trained when incentives were higher) gradually falls as people leave the industry or retire. The shortage of skills tends to intensify.

## Job satisfaction

Moreover because there is a simultaneous shortage of intermediate skills, the highly skilled men who are available spend too much of their time doing work which should be done by others; their job satisfaction and their value to the firm are reduced. "As one generation of workers succeeds another," the authors conclude, "a false equilibrium is gradually established: low wage differentials and low productivity gradually become more tolerated, products with a lower skill content are increasingly produced and products with a high skill content need increasingly to be imported."

Breaking out of this vicious circle will require different attitudes on the part of employers and trade unions, as well as changes in the system of training. The conclusion of the National Institute study reinforces those of the Finnieston inquiry into the engineering profession and of the report on training published last week by the Central Policy Review Staff. Industrial performance is crucially affected by the quality of skilled manpower at all levels, by the financial incentives which encourage the acquisition of new skills and by the use to which these skills are put by employers.

## Dow's unpopularity in the battle for North Sea gas

By SUE CAMERON, Chemicals Correspondent

ALMOST EVERYONE in the European chemical industry relishes the story of the oil-rich sheikh whose small son asked for a cowboy outfit as a birthday present—and was given Dow Chemical.

The tale is not only a measure of Dow's unpopularity within the industry but also a grudging tribute to the way the U.S.-based group so often manages to steal a march on its competitors. Its latest, enterprising scheme is to put up a world-scale ethylene plant in the UK—ethylene is the so-called building block of the chemical industry, used in a wide range of products including plastics and solvents.

Dow wants to build the plant at Nigg Bay on the Cromarty Firth in Scotland and it wants to use North Sea gas as a raw material. The reaction of its competitors to this initiative has been more than usually venomous. BP Chemicals, Imperial Chemical Industries and Shell Chemicals UK complain that the Dow plan could undermine their North Sea feedstock supplies in the longer term and could also "ruin" their markets. The three are determined to block it.

But behind the overt attack on Dow lies the much wider issue of who should build and control the proposed £100m gas gathering system in the North Sea. The struggle for shares in the projected 400-mile long gas pipeline is now hotting up and

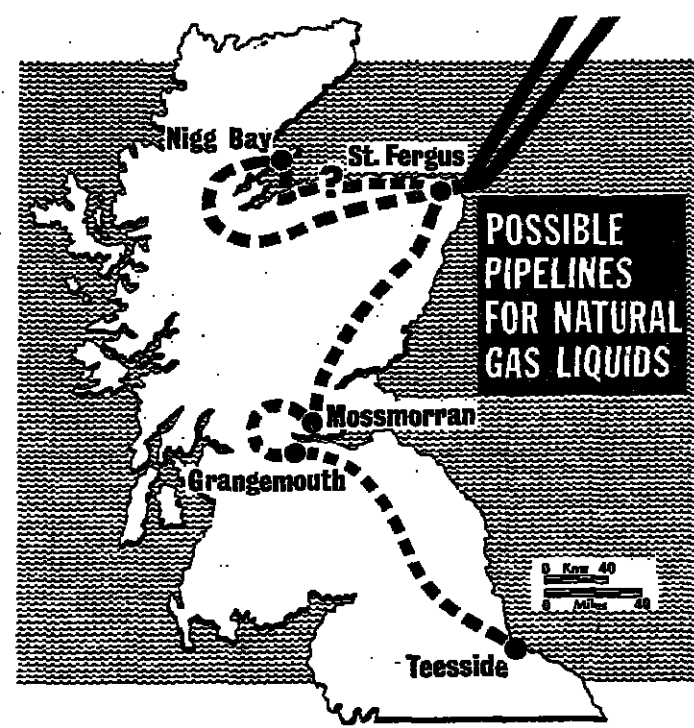
## Those who win a stake in the pipeline will expect rights to the gas

The participants include not only Dow, BP, ICI and Shell but also the U.S.-based Mobil, the British Gas Corporation, outside financiers and the Department of Energy.

Those who manage to win a hefty stake in the pipeline can also be expected to gain rights over the gas coming out of it onshore. This means that if BP, Shell and ICI obtain sufficiently large shares in the line, the three of them together will be able to kill Dow's plans stone dead and divide up the spoils of victory—in the form of North Sea gas for petrochemical feedstocks.

The question is whether or not the British triumvirate will be able to bring off the coup. Mobil and the British Gas Corporation have completed a £1m feasibility study of the proposed line which would gather gas from a large number of North Sea fields. The study, expected to be made public soon, is known to recommend that the pipeline should be built and the Government is virtually certain to give the project the go-ahead. (BP is to present to Government "within the next few weeks details of its own studies into what it describes as a more comprehensive gas gathering network.")

BP, Shell and ICI are understood to have their plans—albeit somewhat sketchy ones—for using these natural gas liquids.



They seem to be thinking in terms of a land line from St. Fergus, the likely terminal for the North Sea pipeline, down to Mossburn in Fife, where Shell and Esso are jointly building a gas separation plant plus a £500m ethylene cracker. The Shell/Esso ethylene plant will use gas from the North Sea's Brent field as a raw material. But it could make use of ethane coming down from St. Fergus as well.

The idea is that once Shell has taken its allotted share of gas at Mossburn, a further line should carry the rest of the ethane, propane and butane down to Grangemouth, where BP Chemicals has an ethylene plant. At present the plant uses only the oil-based naphtha as a raw material but it could be converted to take 50 per cent of its raw material in the form of gas.

The advantages of using gas instead of naphtha to make ethylene are considerable. Gas is cheaper and more efficient. What is more, much of the naphtha now used in the UK

## The advantages of using gas to make ethylene are considerable

has to be imported. The BP-Shell-ICI scheme would therefore cut the UK chemical industry's import bill.

The final part of the triumvirate's plan—and the least definite—is to take their gas line further down to Wilton on Teesside, where ICI has a huge petrochemicals complex. ICI and BP Chemicals have just opened a new ethylene plant at Wilton, which is already using gases for 10 per cent of its feedstock. The two companies would like to run the plant on 50 per cent

new ethylene plants in Scotland. he is keen as mustard. "If there is a decision to go ahead with the new, offshore pipeline, substantial quantities of natural gas liquids will be made available—enough to support one, and probably two, world-class ethylene crackers," he said at the Offshore Technical Conference in Houston, U.S., earlier this month.

Two crackers? Is not enough for flying at the mere mention of one?

Dow certainly thinks so. "We are shocked by these attacks on us," one of its officials wails. "We view them with horror. Dow has been looking at the North Sea for 10 or 15 years and we are a local producer with two factories in the UK. Yet now some of the British-based companies are acting as if someone had sent in the Marines."

"We haven't done anything underhand or secret. We've simply bought a piece of land on the Cromarty Firth—though judging by the reaction, we must have made a good buy."

One reason why Dow is so cordially disliked is that it plays the market aggressively—and with considerable skill.

In the days before Iran cut its oil exports to the West, one of Dow's more candid habits was to buy spot market naphtha at prices far lower than those obtaining on the contract market. It was then able to undercut its competitors on product sales.

When the Iran revolution and its aftermath sent oil prices soaring, Dow was forced to call for a halt to what it described as the "You got us, so now we'll get you" syndrome. The rest of the industry listened to its pleas with glee and little sympathy.

Having been bitten by the oil and oil products crisis of last year, Dow is now taking steps to ensure greater security of feedstock supplies for itself. Its proposals for Cromarty are part of this overall policy.

One of the three British-based chemical majors claims that Dow has "upstaged" its UK counterparts by putting in early plans for the development of Nigg Bay. That admission suggests that what BP, Shell and ICI are really disturbed about is being beaten to the draw.

Dow's detractors are perhaps on stronger ground when they hint that the U.S.-based group may export valuable NGLs from Scotland to its chemicals complex at Torneuzen in the Netherlands and may never build an ethylene plant at Cromarty at all.

The U.S.-based group put in a planning application to build a £150m gas separation plant and storage tanks and a terminal at Nigg in February. But only this week has it formally applied for permission to put up an ethylene cracker.

Yet the UK Government could make the construction of an ethylene plant at Cromarty a condition of Dow's being given

## Most big companies admit that talk of "ruin" is a gross exaggeration

grow at the rate of 4 per cent a year over the next decade—a comparatively optimistic estimate. Experts within the industry reckon that no extra ethylene capacity will be needed in Western Europe until 1989 at the earliest if an annual 4 per cent growth rate is sustained.

Even with a large number of small plants closing, overcapacity would still hurt the major ethylene producers. But most of the big companies privately admit that talk of "ruin" is a gross exaggeration.

Shell Chemicals UK has approached Dow with a view to offering it a stake in the emerging Mossburn petrochemicals complex. Cynics in the industry suggest that Dow has all along been hoping to "shoehorn" itself into the UK's North Sea petrochemical bonanza in just such a manner.

As a method of stopping Dow's plans for an ethylene plant at Cromarty, the oil branch approach seems more likely to be successful than chauvinistic attacks by British chemical producers. It is possible that a final showdown could yet be avoided. But it looks increasingly likely the Dow will build at Nigg Bay.

## MEN AND MATTERS

## Coming clean at the carwash

Ministerial interventions, million-plus transfer fees and the wheeler-dealing in Whitehall behind Ian MacGregor's induction into British Steel may, it seems, have been somewhat overplayed. As I learned yesterday, the man who finally tipped the scales and persuaded the man-of-the-moment to depart the U.S. for his native Britain was one Andrew Railton, chief executive of Andulf Car Wash.

Enlightenment came in the unlikely surroundings of a Press gathering for the launch of the 100th Guardsman carwash to roll off Andulf's production line. MacGregor and Railton, I was told, were laddies together in the Highlands and have been friends for many years.

And it was Railton, the chairman designate admitted, who convinced him that he should allow himself to be taken on board by the Government's press gang. Although MacGregor claims to be the world's "most atrocious" golfer, enjoying the sport for the fun of strolling with friends, his boyhood pal had persuaded him that there was another job for him before he devoted his time more fully to "thrashin' about in the rough."

"In any case, I have an advantage over most people," the 67-year-old drawled. "I am old enough to be totally expendable."

## Muted flutters

Avatollah Khomeini was described by one Western observer the other day as "increasingly avuncular." How far this new-found friendliness extends it is difficult to judge from EC4, but it is perhaps reflected in a discreet relaxation of the usual prohibitions on gambling.

The old razzmatazz, along with the big screens, have come from the Farhabad racetrack in eastern Tehran, but in a



the North," the residential area of Tehran, reclining in them. But, says one of the women, "things are now more democratic; during the Shah's era, the track was reserved to track members—the rest bet on the outside."

## Paper chase

They all laughed three years ago when Jimmy Carter declared war on Washington's red tape factories and established a curious body dubbed the Paperwork Commission. The conventional wisdom was that given the federal administration's propensity for churning out ever more forms at the drop of a White House edict, the inevitable result would be an even greater volume of paperwork.

The cynical laughter has faded, however, with the publication of a progress report on the first two years of the commission's work. Its euphoniously-titled inventory of Initiatives claims, for example, that the blitz on bums now saves the federal road's commercial customers about \$100m a year. The Comptroller of Currency has reduced by 40 per cent the amount of information demanded from banks.

The grand clear-out has also revealed dead wood beneath the redundant documents, and as a result industry has been blessed with a huge reduction—from 152 to a mere seven—in the number of rules in the Federal Trade Commission's code of regulations.

In sum, the report claims, judicious pruning has reduced the amount of federally imposed form-filling by 15 per cent. What a pity, then, that the Paperwork Commission should have found it necessary to spread its congratulatory catalogue over an immodest 173 pages.

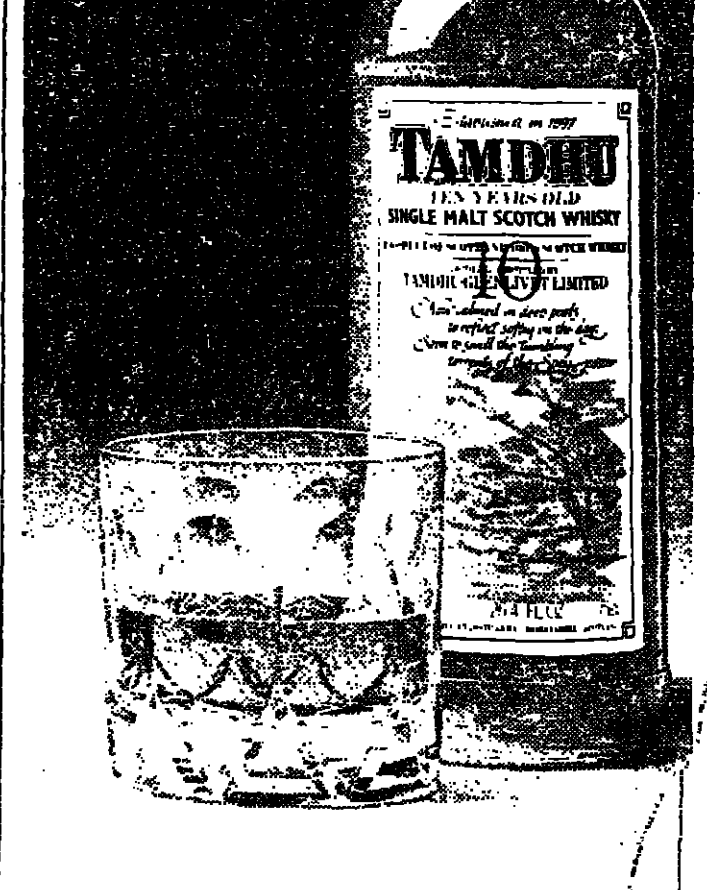
## Paine change

That all has not been well at Paine Webber, the third largest of New York's investment

## The secret of Tamdhu.

Tamdhu distilled in the Golden Triangle area of malt distilleries is a premium Speyside malt whisky which has that freshness that is so reminiscent of the Highlands.

THE HIGHLAND DISTILLERIES COMPANY LTD.



Observer



# British industry on the rack

"WHAT IS going on is perfectly simple," said a merchant banker with good industrial contacts. "A board faced with a cash squeeze and with little prospect of profit is always pushed in the end to the same remedy: wind it up. British business is getting out of the internationally traded sector as fast as it can."

This bleak statement may sound melodramatic, but it does make sense of the rival forecasts now on offer. The National Institute, using a model based on past behaviour patterns—as all models must be—foresees a fall of 2½ per cent in industrial output this year, levelling off in 1981. This, however, involves the virtual disappearance of trading profits in the non-oil sector, down from £15bn last year to £4½bn this year and £2½bn next.

The review admits that in such abnormal circumstances, "behaviour is likely to change"—and in particular that the squeeze on the corporate sector may not be sustainable. The CBI, with its ear much closer to the ground, can pick up the "behavioural changes. It foresees a fall of 4½ per cent in output this year, accompanied by "frightening" redundancies, and a further fall next year. This may itself well be a conservative estimate. Manufacturers do much of their business with other manufacturers, and it takes time for the news of a recession to spread from one order book to another. The Treasury's own model reportedly produced still lower figures, until its print-out was subjected to the usual blurring of official "judgment."

How, then, can ministers sleep at night, and appear the next day making apparently normal speeches? Their com-

fort is simply the belief that none of this is the Government's fault. Wages, as the National Institute firmly proclaims, are the core of the problem; and since the present Government regards wages as one of the things Governments cannot control—except through a belated stand in the public sector—it can indulge in the luxury of blaming someone else.

Now it is true, of course, that more moderate wage settlements would ease some of our worst problems; but it would surely take the Red Queen, who recommended the practice of believing three impossible things every day before breakfast, to believe that this is the whole problem. The engine which is destroying British manufacturing is summed up in the first two

charts, and make any given exchange rate less destructive of competitiveness.

However, the gaps are so huge that it seems unlikely that even Mr. Callaghan's 5 per cent norm would have closed them altogether; and this leaves out of account the possibility that had we achieved a German rate of inflation in a North Sea economy, the exchange rate would be a great deal higher than it is.

In short, it is hard to escape the suspicion that troubles with interest rates and the exchange rate are partly or even largely due to things which the Government does control—to fiscal and monetary policy.

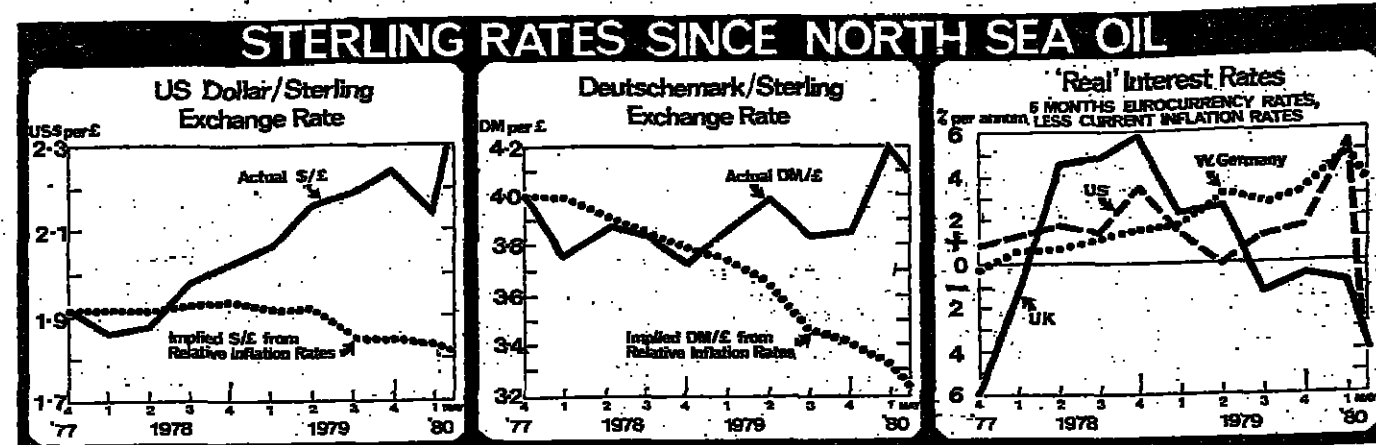
Now if we view the economy as a whole, certain shortcomings are apparent. We have a rate of monetary growth nearly 10 per cent below the rate of inflation,

shows that whatever its intentions, the Government set out firmly in the wrong direction on the fiscal front. If we omit various window-dressing transactions—sales of assets and advance payments of petroleum tax (PRT)—the public sector borrowing requirement (PSBR) rose from £9.3bn in Mr. Healey's last "electioneering" year to £11.4bn using one figure for the actual out-turn. This increase of 22½ per cent is in no way consistent either with long-term strategy or with monetary objectives.

The contrast is even more striking if we look at the non-oil economy, which is after all where the trouble is concentrated. Here the rise in the PSBR was from £9.3bn to £12.2bn. There is a correction planned in the current year, when the intended non-oil PSBR will fall to £11.1bn—though the Treasury Committee is not the only body which is sceptical about this figure. There it is likely to remain stuck: future cuts depend on oil revenue.

That is not the end of the story. Monetary policy also has a different meaning when the non-oil economy is considered, because, while the oil industry is in surplus, it is piling up cash balances against its future tax liabilities. This means that there is correspondingly less money available for other domestic holders within the official targets. There are no figures available to quantify this effect, but it is safe to say that monetary policy is even more restrictive for the non-oil economy than the figures suggest.

In other words, fiscal and monetary policy could hardly have been better designed to produce the results which are now forecast. Fiscal policy virtually guarantees a sharp deterioration of the non-oil current



account; monetary policy ensures that it will occur in a depressed economy. A lower level of wage settlements would reduce the recession, but the fiscal balance suggests that we should achieve much the same balance of non-oil trade in a more buoyant economy.

A loss of market share and export markets is written into the script. As Mr. Terry Buras once put it, before he became the Government's chief economic adviser, under present policies we can only choose how we lose competitiveness—through higher inflation, or through an even sharper rise of the exchange rate.

For the economy as a whole, of course, the policies look better balanced. The current account deficit is largely (but not entirely) offset by the improvement in the oil account. The PSBR is financed by oil revenues, and the prospect is merely unexciting—a 1 per cent growth rate, according to the Government, though the Treasury Committee is again sceptical. But again this simply conceals the fact that the strategy is designed not to

obtain extra growth from the North Sea, still less to obtain extra investment, but simply to substitute North Sea oil for other forms of output. It is a small wonder that the unemployment prospect is horrifying.

Can this financial doomsday machine be stopped? The kind of emergency action on wages which the Government is beginning to contemplate can only be a partial cure, if this reasoning is correct. It is the extreme contradiction between fiscal and monetary policy which turns the rack on which industry is being tortured, and here the Government is painfully boxed in.

## Distortions

However, a number of immediate steps can be suggested. First, in the monetary field, the distortions due to the very different financial balance of the oil and non-oil sectors can be reduced. The advanced collection of PRT last year was a genuine relief in this respect: further steps to alter the timing of payments, or at least the

issue of a special Certificate of PRT Deposit on irrevocable terms would help to restore the balance and render monetary discipline strict, rather than intolerable.

Secondly, the over-cautious attitude to interest rates should be over-ridden. Monetary growth is now within targets, large companies are turning overseas for credit (thus financing the current account deficit), and policy is not irreversible. In a depressed economy, negative "real" interest rates are much more helpful to industry than fiscal "expansion", which simply intensifies crowding out. Although our basic problem, wage pressure, is quite different from the U.S. problem of inflationary borrowing, and much less easily checked through monetary policy, we can still learn flexibility from the Fed.

Finally, the Government should seek every financial means of reducing the PSBR and of reducing its own presence in the main capital markets, and especially the fixed interest markets. Aggressive sales of national savings (transferring pressure from industry

to the housing market), low-coupon issues, tax-exempt short stocks for personal holders—all these would help.

Most promising of all, perhaps, would be a large-scale conversion of existing debt into some form which would be less burdensome to service, and reduce the need to borrow, like some banana republic, simply to pay debt interest (which now accounts for virtually the whole of the PSBR).

All these steps would help to avoid the need to resort to the quickest and most unpalatable ways to restore some balance—cuts in defence spending and higher income tax.

These are only first steps. The fact is that we have been heading firmly in the wrong direction not for a year, but ever since the North Sea began to produce. But the policies which will put that right, leading to a large current account surplus and a healthy non-oil economy, will take time. What we need now is a tourniquet.

Anthony Harris

## Can this financial doomsday machine be stopped?

charts: an exchange rate which is progressively rising into unimagined levels of overvaluation.

The dilemma which the authorities believe they face is summed up in the third chart: interest rates which are irresistibly attractive to foreign investors are still extremely low in "real" terms. In other words, it is impossible to set interest rates at any level which will not drive up the exchange rate without making credit so cheap domestically as to surrender monetary control.

It might seem that lower wages would ease these problems substantially. A lower rate of inflation would make it possible to achieve monetary restraint at lower interest

a programme which on the face of it implies very large distortions in the economy. Sir Geoffrey Howe's first Budget, which added several percentage points to retail prices by way of VAT and public sector charges, and thus widened this gap, is now generally regarded as a blunder. But at least, it is claimed, the Government is aiming in the right direction—spending cuts are being imposed to bring fiscal policy into line with monetary objectives, and so ease the pressure on interest rates and the exchange rate; and the medium term financial plan shows that our troubles are only transitional.

There may be something in this as a forecast, but the record

## Letters to the Editor

### Nasty medicine needed

From Mr. F. Whitehouse

Sir,—It's true that you don't pussyfoot around as much as most pundits in your May 24 leader analysis of why "in Britain it takes time" to throttle off inflation. But you do skirt around one or two vital factors.

In particular you leave a place for persuasion as one of the battle elements even though there is all the evidence in the world that it hasn't, and won't, ever, work. You shirk the idea that discussion of something much more brutal is now unavoidable.

Probably because you can't get it into your head, nor can politicians of all parties, that ordinary working folk—on whom persuasion is expected to work—simply don't accept that inflation is their problem. Except to the extent that it forces them to develop industrial muscle to make sure it doesn't affect their standard of living or prevent them getting those small gains that come from "progress."

What's more, they don't believe any Party has the cure. Certainly anybody wanting them to accept lower factory manning, more efficient working practices and a reduction in living standards voluntarily as a means of routing inflation won't be heeded. Somebody will certainly have to hold their nose before they take that sort of medicine. Neither Wilson nor Callaghan could get it down their throats. What chance has Mrs. Thatcher?

All she can do if she is intent on scotching inflation in the short term is impose conditions on the economy that would leave no place for inflation and risk the consequences.

And here's the rub, she has the weapons to win, but dare she use them? In that bitter battle would she get anything like the total support of her own side? Especially when they began to think of the havoc it could create?

It is this question of cold feet about doing what's plainly needed that needs public discussion. We can live with inflation and talk about it until the cows come home, but can we live with the after effects of a cure that nearly kills the patient. Or is there no great risk and are we landed with our own brand of inflation simply because our leaders chicken out when it comes to being resolute about inflation?

Whitehouse, Ecclesfield Road, Chapelton, Sheffield.

The head printer

From Mr. O. Smedley

Sir,—I read reports of misgivings about the exclusive control exercised over economic policy by the Prime Minister and the Chancellor of the Exchequer and the lack of consultation with colleagues and other interested parties. Could this state of affairs, if it does in fact exist, derive in part from the provisions of the Currency and Bank Notes Act of 1954 which gave the "Lords Commissioners of Her Majesty's Treasury," by custom the Prime Minister, the Chancellor of the Exchequer and the three

Government Whips, who otherwise would have no salaries, the exclusive right to authorise increases in the fiduciary issue without reference to any other authority whatsoever?

There is, at present, no control at all by anyone over the growth in rate of the money supply: in any case, why should there be a "target for money growth" in an economy that is at least failing to expand if not yet patently contracting?

So long as the Government seeks to "bring inflation under control" by, as it were, trying to tie down the lid of the kettle instead of turning down the flame underneath, there is no possibility of their succeeding. The way to halt inflation is to stop printing what Hayek calls "basic cash" and I call "real money," namely the circulating medium or bank notes. So long as ultimate control over the printing of bank notes remains in the hands of the "Lords Commissioners of Her Majesty's Treasury" there is no hope for any of us. Someone in authority who understands this elementary fact, if there be such a person, should have another look at the "Currency and Bank Notes Act" of 1954 and propose amendments which will bring the volume of our real money supply back under the control of our elected representatives.

Mr. Oliver Smedley, Quinta da Smaidade, Albufeira, Algarve, Portugal.

Prosperity and inflation

From Messrs. D. Blake and P. Ormerod

Sir,—Peter Riddell's Lombard column (May 20) was, as one would expect, on the whole a fair and perceptive critique of our book "The Economics of Prosperity." We would raise only two points.

The first is the suggestion that we treat the forecast runs we made using the Treasury model as some kind of oracle giving infallible guidance. We do not do so. Any forecast of the future is bound to be hedged about with uncertainty, and in the book we constantly draw attention to the need for caution in using any economic models of this kind. There are no completely sure foundations for economic policy, but we do feel that half-sight is better than total blindness. And we are certainly aware of the re-appraisal going on of model-building techniques, a re-appraisal which has included a perhaps over-hasty willingness in recent years to change the Treasury model to produce results unfavourable to the policies we advocate.

The second point concerns the argument that "the recognition that the package would raise the inflation rate in itself weakens" our case. What should we have done to strengthen it? We could have denied that there were any problems. This would have been consistent with the techniques of some of the more extravagant supporters of a high exchange rate, who told us that this would cut inflation with little or no harm to industry. Only now are some of them beginning to admit the problems for the manufacturing sector. We think it is better to look at a policy, warts and all, before it is adopted.

Mr. Riddell argues that there can never be a recovery in output without first getting in-

flation down. Why? Other countries have combined relatively high inflation rates with fast output growth. A belief that we should defeat inflation first and that output will then take care of itself has been at the back of the policies of deflation which have been tried in recent years. We seem to have ended up with the worst of all worlds. We have paid the price in terms of lost output and jobs and have not succeeded in getting inflation down. This is why a new approach to our earnings problems is needed.

David Blake, Paul Ormerod, 44, Narcissus Road, NW6.

Yorkshire roads

From the Secretary, Pudsey-Dishforth Motorway Action Group

Sir,—The letter from Mr. Watkinson (May 15) shows that old road builders neither die nor fade away. Unfortunately neither do they learn. The overwhelming balance of evidence at the recent inquiry into the Kirkhamgate-Dishforth (M1-A1) link scheme (abandoned because of the filibuster by the west of Leeds supporters) showed that the west of Leeds route advocated by Mr. Watkinson was an environmental disaster and an economic no-win. That did not even solve the most serious traffic problems in the region. Perhaps Mr. Watkinson might now recant and join us in pressing the Minister to build as soon as practical the shortest possible link between the M1 south of Leeds and the A1 east of Leeds.

W. H. J. May, 22, Brewery Lane, Bramhope, Leeds.

Irreplaceable secretaries

From the Executive Principal, Pitmans Colleges

Sir,—Your survey on word processing (May 12) provided much interesting material but sadly, in many ways, seemed determined to instill fear about their future jobs in the minds of secretaries and those training at secretaries. Yes, the new technologies are going to change office work in the 1980s, but the true secretary has always been flexible in the approach to the job, prepared to tackle the new and unexpected as it arose.

The problem stems mainly, I think, from the misuse of the word "secretary." For instance, in your survey we read "the U.S. oil company Aramco is in the process of phasing out the secretary." It goes on to describe routine tasks which word processing equipment can now take over. Let us raise a cheer, because those chores should never have fallen to the lot of the secretary in the first place; any audio or shorthand-typist could have done them.

We should be looking at the development positively. Students recognise the value of word processors in the modern office. They see the new technology taking over many of their present tasks, but not putting them out of a job—rather freeing them for more interesting tasks of a truly secretarial nature which can offer a bright future. Perhaps before we consider in depth what the equipment can do, we need to

consider what new things the staff—particularly secretaries—can do.

Miss F. M. Hulst, Pitmans Colleges, 154, Southampton Row, WC1.

Cost of living

From Mr. D. Ellis

Sir,—I was delighted to read (May 22) the letter from Mr. R. Sholl as this subject has been a favourite of mine for many years.

The retail price index is commonly referred to as the cost of living index but I have not yet known of anybody ceasing to live because he did not possess a colour TV or a motor car. Even not smoking or drinking has not yet proved to be fatal although the converse is often claimed to be so—if we are going to include such non-essentials should we not call it the cost of dying index?

A genuine cost of living index would include such items as rent (or mortgage repayments), rates, food, gas, electricity and the cost of public transport. Certain "utility" items of furniture and clothing must also be included but ladies' make-up and gents' fashion shoes should certainly not be incorporated.

With such an index there could be no objection to all pay being index linked, the difference, negotiable, being contributions towards the increase in the standard of living. D. Ellis, 25, Kinlosley Park Grove, Sheffield.

Flying from Glasgow

From Mr. J. Franccy

Sir,—I am indebted to Mr. Riddle for his reply (May 23) to my complaint, at the withdrawal of a price which enabled me to fly to London on Sunday evening and return home by an early flight the following Saturday. This arrangement enabled me to arrive home lunchtime, sort out a few reports and be back in the bosom of my family, so to speak, by Saturday evening. To spend the full Saturday in London—either Saturday—would not only absorb any saving in costs but would put me in the "dog-house" if I presented my wife with a week's dirty washing over Sunday dinner.

As for waiting hopefully for the last shuttle flight at either of both airports, getting to London or Glasgow in "anti-social" hours, the prospect does not appeal. No, sir, I remain unconvinced and continue to submit that yet another possible outlet for cost-conscious travellers has been plugged.

The situation that prompted my protest at the air fare increases, as shown from my bank records, is demonstrated by the figures.

As turn fare	£
February 1979	46
May 1978	49
September 1979	56
November 1979	53
May 1980	94

In contrast I note that under certain circumstances a UK businessman can travel in the U.S. for 15 days unlimited for only £115. This is the sort of incentive that is lacking here. John B. Franccy, 58, Aytoun Drive, Erskine, Renfrewshire.

## Today's Events

—A European approach, Manchester (to May 30).

Newspaper advertising conference opens, Brighton (to May 31).

Sir Peter Gadsden, Lord Mayor of London, receives Parisian postal officials, Mansion House.

Overseas: Deadline for negotiating new contracts with Iran when sanctions come into force.

EEC Agriculture Council meets, Brussels.

EEC Foreign Ministers meet, Brussels.

Brussels.

Plenary session of the EEC Economic and Social Committee, Brussels.

EEC Standing Committee on Employment meets, Luxembourg.

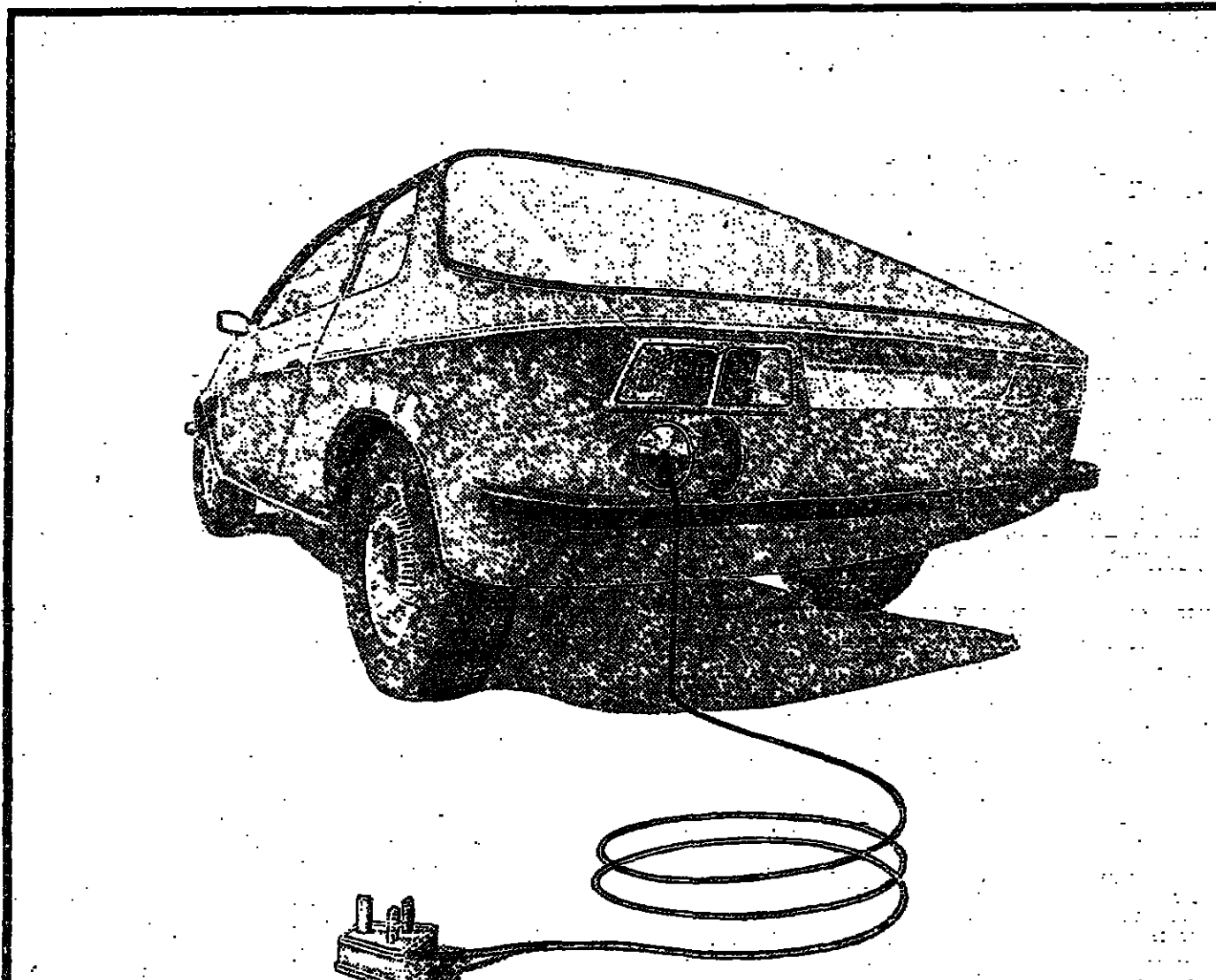
OFFICIAL STATISTICS: Investment intentions of the manufacturing industries (1980 and 1981), Energy trends.

COMPANY RESULTS: Final dividends: Beecham Group, The Brunning Group, Buckley's Brewery, Copper Mill.

COMPANY MEETINGS: See Company News on page 27.

Coalite Group, Courtlands. The Exchange Telegraph (Holdings), Philip Hill Investment Trust, London Sumatra Plantations, Normand Electrical Holdings, Pyramid Group (Publishers), The Sangers Group, UBM Group, Warren Plantations Holdings, Young and Co's Brewery, Interim dividends: Thomas Borthwick and Sons, Sir Joseph Causton, Greenall, Whitley, ordinary, Greenall Whitley "A" ordinary, ICL, Proprietors of Hays Wharf, Stag Line.

COMPANY MEETINGS: See Company News on page 27.



# Go Steetley?

Yes - although we have both feet firmly in the present, our sights are fixed on the future - and our involvement with the development of the electric car is part of the story.

As one of Britain's top hundred companies, our huge world-wide mineral-based chemical and materials supply operation is also vitally important to many other industries including construction, ceramics, metals, agriculture, glass, oil and engineering.

But our contribution to one of tomorrow's transport alternatives is still considera-

ble. We help produce everything from the materials of which electric vehicles are made to the battery acid and the roads on which they run.

Steetley also supply furnaces and a host of special materials and skills for metal refining, forming and finishing as well as a wide range of products upon which the engineering and construction industries depend.

**STEETLEY**

—products for the world's industries

The Steetley Company Limited, Gateford Hill, Worsop, Nottinghamshire S81 8AF, England.



## Spring Grove 26% up halfway

**TAXABLE PROFITS** of Spring Grove Services, the contract cleaning concern which came to the market last December, rose by 26 per cent from £1.3m to £1.64m in the half-year to March 28, 1980. Interest increased to £369,000, against £224,000.

The directors say that while they see no reason to change the estimate in the prospectus of £3.6m full-year profits before tax, the present business conditions will certainly make it a more difficult task to achieve.

There is an interim dividend of 1.5p net — a total of 4p was forecast in the prospectus. Earnings per 10p share are shown ahead from 4.46p to 5.5p. The attributable balance came through higher at £1.26m, against £1.12m, after tax of £187,000 (£188,000) and an extraordinary debit of £190,000 this time representing flotation cost. Turnover rose by £2.03m to £11.7m.

The directors say that during the half-year the company has continued the developments outlined in the prospectus except that the sale and leaseback of the Henley premises has been deferred since there is adequate working capital available without this at present.

The progress towards the mechanisation of towel processing and the computerised workwear handling systems at Chesham and Dagenham are running according to plan. A fire in one of the company's Dutch laundries meant that most of the equipment had to be replaced. The installation of up-to-date machines has enabled the company to accelerate the planned reorganisation programme.

## Southend Stadium

Southend Stadium increased pre-tax profits for 1979 from £143,673 to £145,238.

At the interim stage the company announced a pre-tax figure £3,088 lower at £52,399.

Dividend for the year is 0.427p (0.388p).

# Tate & Lyle holds ground

FOR the first half year ended March 31, 1980, trading profits of Tate & Lyle increased from £10.8m to £16.4m. However, exceptional credits of £4.9m in the previous half year, higher interest and lower associates' results leave the pre-tax figure at £12.2m, compared with £11.2m.

Lord Jellicoe, the chairman, says the UK and overseas trading climate remains difficult but the group is maintaining pressure to improve competitiveness and strengthen the financial base and is making progress.

"I would not however underestimate the challenge posed to our timetable for profit recovery by high interest rates, increased energy costs and the effect on world trade of the troubled international scene," he states.

The 1979 first half results have been restated in line with the presentation in the 1979 annual report and have been adjusted for exchange rates at September 30, 1979, and to state the profit of the raw sugar company at half the actual result for 1979.

Stated earnings per £1 stock unit are 10.5p against 13.5p. An interim dividend of 4p is declared, this being the first year for which the group is adopting the pattern of a single interim followed by a proportionately higher final.

In 1978-79, a first interim of 2.5p was followed by a second interim of 4p and a 4p final.

On sugar production and refining, the chairman says that the future health of UK sugar refining will depend on either the UK beet quota being reduced or on the export of surplus production of domestic beet sugar to allow room in the UK market for the African, Caribbean and Pacific (ACP) cane sugar production which is guaranteed entry under the Lome agreement.

The unpalatable alternative is further rationalisation which the group is doing all in its power to avoid.

The EEC's delay in resolving the problem of excess beet sugar production in the Community is already seriously affecting profitability of the group's UK cane refining operations.

The Board continues to urge the British Government and the EEC authorities to take prompt action to restore fair competition and to honour the intentions of the treaty of Lome.

The agribusiness side turned in losses of £2.7m against a trading profit of £2.3m on turnover

of £11.4m (£26.9m). The chairman says the engineering and consultancy division results were disappointing due to delays in award of contracts and high completion costs on certain existing contracts.

Commodity trading worldwide improved from £7.7m to £15m on turnover of £301.2m (£230m). Molasses trading continues to do well with United Molasses' related activities having an excellent year.

UK shipping activities improved from a reduced £0.9m to £1.3m. Turnover was £3.3m against £4.9m—capital employed in shipping is much reduced and the three remaining ships are trading well in an improved market, the chairman stated.

	1980	1979	1978-79
Turnover	301.2	230.0	1,706.4
Trading profit	16.4	10.8	30.1
Assoc. share	7.7	4.9	5.9
Investment	0.9	0.9	12.4
Assoc. share	0.5	0.5	3.6
Profit before tax	9.2	11.2	25.2
Tax	2.8	3.3	11.6
Net profit	6.4	7.9	14.6
Minorities	0.7	0.1	0.8
Attributable	5.7	7.8	13.8
Dividends	2.2	1.4	5.8
*Restated, after £1.4m (£1.8m) expenses and £0.5m (£1.1m) research and development.			

Lex, Back Page

## Associated Sprayers rises 15%

Taxable profits of Associated Sprayers, manufacturer of garden sprayers and clothes drying aids, rose by 15 per cent from £187,000 to £215,000 for the first six months ended February 29, 1980, after interest up from £10,000 to £17,000.

Turnover was 16.5 per cent ahead at £3.43m (£2.94m).

The directors say that trading continued to be dull in March and April and much will depend on demand during the last four months of the year.

Tax during the period was £112,000 against £97,000 previously. The interim dividend is 0.5p net, the same as last year, after adjustment for a one-for-one scrip issue. Last year's final was an equivalent 0.75p. Dividends have been waived this time on 949,518 shares.

Profits before tax for 1978/79 were £222,300 (£397,500).

## HIGHLIGHTS

Lex looks at the half-time figures from Bass, where a useful 20 per cent trading profit improvement has been trimmed back by higher interest charges. The company claims an increase in market share. After exceptional items have been taken into account Tate & Lyle's interim profits are slightly higher but uncomfortably dependent upon commodity dealing. Lex also looks at the decision by Lloyds and Scottish to finance its takeover of U.S. factoring company, James Talbot by an equity placing and discusses another issue yesterday with a rights from Brown and Jackson.

## Record for Jackson Group

DESPITE only breaking even in the first four months, weather delayed completions and increased costs, Jackson Group, civil and mechanical engineer, finished 1979 with record pre-tax profits of £674,194 compared with £534,769. Turnover rose from £10.76m to £14.6m.

The dividend is lifted from 3.63p to 4.2p net with a final of 3.75p and absorbs £33,687 (£28,936). Stated earnings per 10p share are 28.3p (17p).

The surplus is struck after net interest charges more than doubled at £163,577 against £75,097, but before tax of £12,263 (£7,597).

All the group's trading subsidiaries made a positive contribution to profits in 1979, state the directors, and there are indications that they are continuing to maintain satisfactory levels of sales and profit in the current year.

Jackson Group's shares are

traded on the over-the-counter

market made by M. J. H. Night-

ingale and Co.



UK COMPANY NEWS

# Bass profit goes over £50m at half-time

RISE of £5.8m in taxable profits to £50.1m for the 23 weeks to April 12, 1980, is reported by Bass. Sales increased from £58.8m to £62.8m.

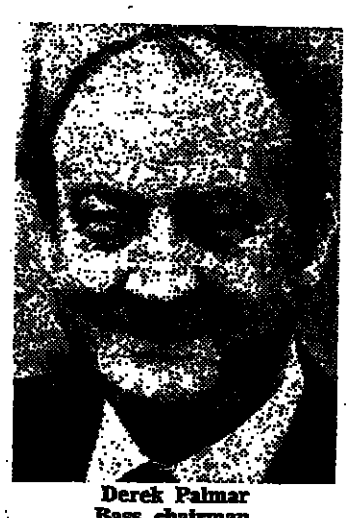
The directors say beer and soft-drink sales showed satisfactory growth in the first half but those for hotels, wines and spirits were below expectations.

The pre-tax surplus was struck after higher cost of borrowing at £3.8m, against £5.7m.

The net interim dividend is 2.5p (2.7p)—last year's total was 2.5p, paid from taxable profits of £11.6d. Half-year earnings per share are given at 12.3p (13.2p).

The available balance emerged £0.5p lower at £34.5m, after tax of £3m (£5.9m), minorities and preference dividend.

Capital expenditure during the period was incurred on fixed assets £54.8m (£38.3m) and loans to customers £6.6m (£4.8m). Comparisons have been adjusted to take account of a £1.9m (£1.4m) charge for the employee share ownership scheme provided for the first time in the last published accounts, and actual effective rate of tax for the year to September 30, 1979.



Derek Palmer  
Bass chairman

## Stag Line cuts loss midterm

PRE-TAX losses of Stag Line, shipowner, were reduced from £483,006 to £121,189 in the six months ended April 30, 1980, and the directors expect a return to profits for the full year.

A lower second half loss last year of £206,295 left the deficit for 1979/80 at £689,301, and they said that the group had started to pull out of a slump.

It is now anticipated that if freight rates are maintained, the current year could show a modest profit after depreciation and loan interest, which this time amount to £256,614 (£258,000) and £152,581 (£168,274) respectively. First-half turnover rose to £1.71m (£1.06m).

There is again no interim dividend, but the directors expect, as last year, to pay a net final of 5p—the maximum permitted under the terms of a deferred loan capital repayment agreement imposed by the Department of Trade.

The six months loss includes investment income of £57,290 (£81,000) and there is again no tax charge—the stated loss per £1 share is reduced from 39.15p to 9.32p.

Comparatives have been adjusted following a change in deferred tax policy.

## Caravans Intl. incurs loss in first half: interim omitted

REFLECTING losses at the Newmarket plant and at the German subsidiary, Caravans International incurred a deficit of £302,200 in the half year to February 29, 1980 compared with £283,400 profit in the same period last year. Turnover amounted to £58.29m against £34.86m.

The directors are omitting the interim dividend—last year a 4.2p interim was declared and the year-end a 3p final was paid from pre-tax profits of £1.1m.

The first half loss is after depreciation of £368,000 (£314,100) and interest of £558,300 (£431,200) but before a 2.5p share of £338,900 against £343,400. The attributable loss is £1.19m against profits of £161,400 after £232,400 (£101,400) minorities and an extraordinary debit of £356,300.

The deficit consists of redundancy costs and the associated industrial dispute connected with the major re-design and re-equipment of the Newmarket plant. As a result of the reorganisation, a significant part of that plant has become surplus to requirements, the directors say.

The directors say the first half was in extremely difficult one for the group's European companies. The South African subsidiaries however earned substantially increased profits.

Current indications are that in the remaining six months of the year the European companies will make a profit and that the South African subsidiaries will earn increased profits.

comment

The cost of the Newmarket disruptions has more than justified the Board's December

## Today's company meetings

Alva Investment Trust, 216, West George Street, 12.30. Baird (William), The Central Hotel, Glasgow, 12.00. Blackwood Hodge, Dorchester Hotel, Park Lane, W, 12.30. Bruntons (Musselburgh), Musselburgh, Edinburgh, 12.00. Carlton Industries, Dragonara Hotel, Redcliffe Way, Bristol, 12.30. Charterhouse, Gt. Eastern Hotel, Liverpool Street, Bishopsgate, 12.00. Coral Leisure, West Centre Hotel, Little Road, Fulham, SW, 11.30. Cory (Horace), 17, Southampton Place, WC, 12.00. East Rand Consd., Epworth House, 25/33 City Road, EC, 12.00. Erith, Institute of Chartered Accountants, Aldgate, EC, 12.00. Freemans (London), Connaught Rooms, Gt. Queen Street, WC, 12.00. Greens Economist, Connaught Rooms, Gt. Queen Street, WC, 12.00. Holyrood Rubber, 14, Gt. Tower Street, EC, 11.00. Hong Kong (Selangor) Rubber, 14, Gt. Tower Street, EC, 3.00. Kuala Selangor Rubber, 14, Gt. Tower Street, EC, 12.30. LASMO, Sadlers Hall, Gutters Lane, Cheapside, EC, 11.30. Leyland Paint, Wallpaper, Northgate, Leyland, 2.30. Low Bonar, Angus Hotel, 101, Margerail, Dundee, 12.00. Magnolia (Mouldings), Sutton Road, Rochford, Essex, 12.00. Marshall Cavendish, Park Lane Hotel, Piccadilly, W, 11.30. Mellins, 124-130, Seymour Place, W, 12.00. Newarthill, Imperial Hotel, Russell Square, WC, 12.30. Prudential Corporation, 142, Holborn Bars, EC, 12.15. Richards, Wallington, Midland Hotel, New Street, Birmingham, 12.00. Richards (Leics.), Phoenix Iron Works, Martin Street, Leics., 12.00. Selection Trust, Chartered Insurance Institute, 20, Aldermanbury, EC, 12.00. Standard Chartered Bank, Connaught Rooms, Gt. Queen Street, WC, 12.00. Websters, Winchester House, 77, London Wall, EC, 12.00. Wolstenholme Rink, Springfield Road, Sharpley, Bolton, Lancs., 12.00.

## Grampian TV warns on cost of new channel

The fourth television channel, presently planned for late 1982, will substantially reduce the profits of all the ITV companies in its early stages, warns Mr. Adam Tennant, chairman of Grampian television, in his annual statement.

They will have to provide virtually all of the new channel's budget, estimated in today's terms at between £50m and £55m per annum. The subscription for the company serving North Scotland—presently Grampian—has been fixed at £200,000.

The chairman adds that the fourth channel and the projected breakfast-time television service assume a great increase in total television advertising revenue. He feels the company is well equipped for the 1980s and is "reasonably confident" about the current year's results.

As reported on April 26, Grampian's pre-tax profits for the year to February 29, 1980, fell from £406,719 to £301,717 despite the lifting of the Exchequer Levy, which absorbed £7.15 last time.

Group fixed assets amounted to £3.55m (£2.5m) and there were net current liabilities of £32,000 (£106,000). Working capital declined by £155,000 (£83,000).

## Dividend outlook for Scottish Mortgage Tst.

To reduce disparity with the final payment, Scottish Mortgage Trust Company intends to raise the interim dividend for the current year from 1.8p to 2.5p net. However, Mr. T. R. Macgregor, chairman, says in his annual statement that any increase in total dividend is likely to be less than the average rise of the last five years, which has slightly exceeded the average rate of inflation. Last year the total was lifted from 3.5p to 5.2p, an increase of 33 per cent.

The directors are hopeful, says Mr. Macgregor, that some increase in dividend income will be received during the current 13 months, but any advance is likely to be well below that of last year, when an improvement from £5.73m to £7.54m was reported.

Furthermore, the effect of the act of borrowing operation will result in earnings being lower than they otherwise would have been, as it is not currently possible to invest borrowed money in good equities to give a yield equal to interest costs.

Members are told that, in directors propose to remain fully invested in ordinary shares. Indeed, since the year-end they have gone a little further than this by borrowing £5m from the Royal Bank of Scotland to extend the company's equity interests, mainly in the UK and U.S. The Board is hopeful that taking both increasing income and capital appreciation into account this

modest addition to the company's gearing will in a few years prove beneficial to ordinary holders.

The balance sheet shows a listed market valuation of UK investments of £80.56m (£89.3m) at March 31, 1980, and overseas investments of £45.48m (£45.55m). Unlisted investments at directors' valuation totalled £573,000 (£477,000) and temporary deposits £4.57m (£3.83m).

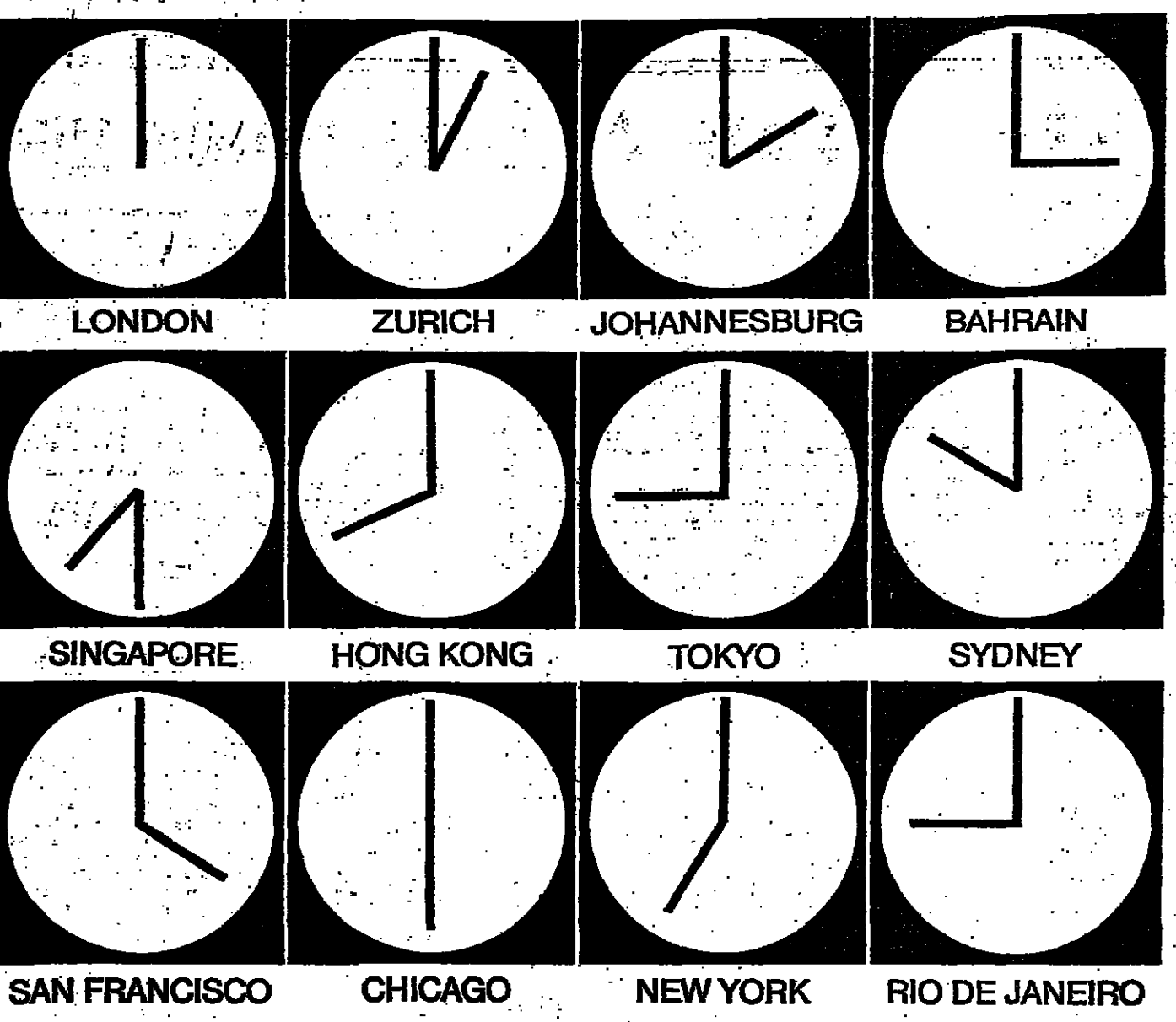
As already reported, pre-tax revenue for 1979-80 improved from £4.96m to £6.44m. There was an increase in liquidity of £2.00m during the 12 months, compared with a decrease of £4.21m.

The annual meeting of the company will be held in Edinburgh, on June 19 at 10.30 am.

## Barlows' dividend reduced

Barlows, packers and warehousemen, has reduced its dividend from 7.865p to 4p following a fall in pre-tax profits for 1979 of £10,204 to £28,814.

Turnover for the period, excluding freight recharges, was £57,580 compared with £54,164. The tax charge came out at £11,736 (£12,393). Earnings per £1 share are given as 9.3p (9.2p).



# Who else can pack 288 hours into the day?

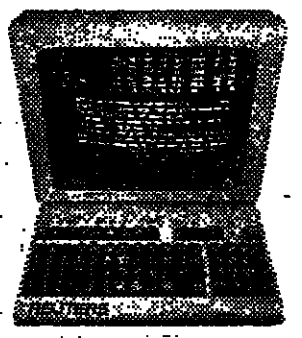
Reuters gives you the facts as they happen at business centres across the time zones of the world.

That takes wider coverage, a bigger communications network, and more international staff than other services.

We maintain and improve a service as comprehensive as ours by massive investment.

We have spent £29 million in the last five years on equipment, strengthening the facilities you already use, and those you'll be using in the future.

It's worth subscribing to the best to pack maximum business hours into your day.



World markets as they move

# Coats Patons Sales more than maintained but profits again affected by exchange movements. 1980 results expected to be better.

The following are extracts from the Review of the Chairman, Mr. W. R. Henry, and from the Directors' Report, for the year ended 31st December, 1979.

**STAFF**

The number of people employed by the Company in the U.K. has, regrettably, fallen by 4,000 between 1975 and 1979. On each occasion the decision to cut the labour force was painful and not taken lightly. The main reason is the level of textile imports from cheap labour countries.

Understanding and goodwill of employees are not to be taken for granted at the best of times and when shown under adverse circumstances are deserving of high praise. Equally praiseworthy has been the realism and understanding of the Trade Unions involved. I wish to thank our employees everywhere for their hard work and loyalty.

**THE BUSINESS YEAR**

The strength of Sterling against other currencies has reduced our profits for the third successive year. As a point of interest, exchange movements have cost us some £40 million over this period, of which at least £20 million is due to the value of Sterling and the balance to the perennial weakness of Latin American currencies which we have successfully absorbed for many years.

Trading conditions in the U.K. were the worst for years—unseasonable weather, the substantial increase in VAT, high interest rates and the conspicuous absence of American tourists with sufficient funds to buy fashion merchandise all contributed. Profits also fell in Brazil where price increases did not match the exceptional devaluation of the Cruzeiro. Europe, U.S.A. and Australia, however, showed a significant improvement over the previous year.

**PROFITS AND DIVIDEND**

Trading profits at £66 million fell by 9% or £2.6 million after exchange losses on conversion of foreign profits amounting to £18 million. This figure includes some £6 million due to the current strength of Sterling and £5 million to exceptional devaluations in Brazil and Turkey. Overall trading margins fell from 10.7% to 9.7%. Interest charges have risen by £2.4 million. The Directors recommend a final dividend of 2.6p per share making a total of 4.0p for the year.

**GOVERNMENT POLICY**

After a year in office the Government continues its policies of controlling the money supply, reducing the public sector borrowing requirement and of non-intervention in wage bargaining—the primary target being the reduction in the rate of inflation.

Temporary unemployment is an acceptable consequence of pursuing any policy designed to defeat inflation. The mutilation of entire industries is, however, a much more serious matter. The perceived wisdom is that it is the "old" industries (synonymous with inefficiency) which are affected and that they are expendable. The future of the U.K. is regarded as depending on new industries based on high technology which will somehow survive competition as fierce as that facing the old industries.

No-one should defend inefficiency, but it must be pointed out that a considerable part of our old industries is not inefficient. The textile industry, which is labour-intensive, is a good example. MFA, which establishes quotas for imports from the Far East where wages are between some 6% to 25% of U.K. wages, creates an impossible level of competition to the U.K. manufacturer as the wage gap is too great to be bridged by the very highest level of efficiency. The U.S.A.

is attacking European markets with the assistance of a weak Dollar and artificially low oil prices, resulting in cheap synthetic fibre. Iron Curtain countries are probably seeking hard currency by exporting at very low prices. One of the largest industrial groups in Japan has published results recently showing sales of U.S. \$62 billion and profits of U.S. \$970 million, a margin on sales of 0.11%. This company is efficient so one can only guess what its aims are. A British company with similar figures would have difficulty in raising all the capital it required in the City. I can only hope that the Government will make a close study of the export practices of all our competitors and take the necessary action in good time.

**PROSPECTS**

As always, the most significant factor in estimating the results for the current year is the relationship of Sterling to other world currencies. For the 1980 estimate we have decided to repeat the 1979 rate of U.S. \$2.22/£1 and to allow for weak currency devaluations. We anticipate an improvement in overall trading profits both in the U.K. and abroad; interest charges will increase but, excluding significant exchange movements, 1980 profits should exceed those of 1979.

GROUP RESULTS FOR 1979... AND WHERE THE PROFITS CAME FROM			
	1979	1978	1977
Turnover	£980	£980	£980
Assets employed	683,649	678,829	639,534
Profit before tax and loan interest	68,082	76,194	82,768
Profit earned for Ordinary shareholders	31,656	38,429	48,952
Earnings per share	12.2p	14.5p	17.7p
Ordinary dividends including tax credit	5.71p	5.43p	4.94p

Coats Patons are leading producers of thread and of synthetic and spun yarns, operating over 150 manufacturing units in 30 countries and employing over 65,000 people.

In the U.K. alone we are behind such famous names as Jaeger, Country Casuals, Dombros, Byford, Driver, Dalkeith, Leithard, Chilpross and Baby Chic. We are in general clothes with West Riding Worsted and Woollen Mills and John Hesketh. Our other products include dressings and mountings.

## Gresham Trust Limited

Permanent and long term capital for the successful private company.

Are you considering a programme of de-merging any of your activities? If so your management team may be the ideal purchaser.

Gresham Trust specialises in financing such operations without seeking to control or manage the enterprise.

For further information please telephone 01-606 6173 or write to Barrington House, Gresham Street, LONDON EC2V 7HE

## AVON RUBBER COMPANY LIMITED INTERIM STATEMENT

"Profit for the half year, unaudited, suffered from the effects of high interest rates, the firm pound in relation to export business and a decline in demand caused by the lower level of activity of many of our customers in the United Kingdom. Measures taken within the group to improve efficiency are showing benefit, and these are being intensified."

The half year dividend on the 4.9% Cumulative Preference Shares at the rate of 2.45p per share, amounting to £12,250 will be paid on 30th June 1980 to shareholders on the register at 12 noon on 16th June 1980.

An interim dividend of 4p net per share (the same as last year) will be paid on 7th July 1980 on the 21 Ordinary Shares of the company to shareholders on the register at the close of business on 6th June 1980. The cost of the interim dividend will be £265,500.

	Half year to 29th March 1980	Half year to 31st March 1979	Financial year ended 28th Sept 1979
Turnover	£1,153,000	742,800,000	150,558,000
Operating profit before depreciation	4,534,000	3,440,000	7,589,000
Shareholders' profits of associated companies (total)	110,000	15,000	68,000
Depreciation	4,644,000	3,455,000	7,657,000
Operating profit after depreciation	1,200,000	1,465,000	2,800,000
Operating profit after tax	3,116,000	1,898,000	4,745,000
Financing charges	2,332,000	1,468,000	2,192,000
Profit before taxation	784,000	430,000	2,553,000
Taxation (note 2)	235,000	288,000	515,000
Profit after taxation	549,000	142,000	2,038,000
Minority interests	29,000	32,000	83,000
Profit attributable to Avon shareholders	520,000	110,000	1,955,000
Earnings per share	1.6p	1.5p	29.1p

Note 1: Mergers companies are not treated as associates and not subsidiary companies.

Note 2: The charge comprises advance corporation tax and tax on profits of overseas companies.



Companies  
and Markets

## UK COMPANY NEWS

## BIDS AND DEALS

British Enkalon getting  
£40m injection from Akzo

BY RAY MAUGHAN

Akzo is to inject up to £40m into British Enkalon over the next five years in an attempt to restore the fortunes of its ailing UK-made fibre subsidiary. The Dutch chemicals and textiles group will invest £33m, at 1979 prices, in new plant and equipment in British Enkalon's factory in Antrim during the period to 1984 and, more immediately, will be subscribing £7m of sorely needed equity capital.

The equity injection comprises the issue of 28m new "A" shares at par to Enka International Holding BV, another Akzo subsidiary, which raises the Dutch group's holding in British Enkalon from 1.7 per cent to 83.7 per cent. The deputy chairman and managing director of the UK subsidiary, Mr. Roelof Schierbeek, stressed yesterday that there was no intention to buy out the minority shareholders, who include almost 5,500 individuals.

Akzo makes a point of maintaining local minorities in each of its major operating areas but, in this instance, it had little option but to dilute the interests of outside shareholders.

The ordinary shares, at 74p, are trading far below par value and a rights issue was therefore precluded. At the same time, British Enkalon's persistent losses over the last five years have stretched its resources to the point where the 1979 accounts show a deficit on reserves of £340,000. Borrowings at the balance sheet date amounted to £14.5m against shareholders' funds of £3.2m, and debt had risen to £18.1m by May 2.

There is no question that

Akzo is looking for a short term solution to the problems of worldwide over-capacity in the man-made fibres industry. The status of the new "A" ordinary shares, however, is ultimately linked to British Enkalon's dividend paying capacity. The rate of dividend payable to the new capital will be 125 per cent of the rate declared for the existing capital. Compulsorily convertible between 1991 and 2000, the shares will rank together with the existing equity in the event of a winding up or a return of capital.

Plagued by heavy interest costs and severe import competition, British Enkalon lost £2.15m in 1979 to bring its aggregate deficit for the past five years up to £6m. And the group is now warning of the prospect of yet heavier losses this year.

Clearly, the Dutch parent will be monitoring the new investment closely. As Mr. J. Martin Ritchie, the chairman of British Enkalon, points out in his annual statement, "Our colleagues in Enka and Akzo continuously require considerable insurance regarding our ability to deliver the goods."

No redundancies among the 2,000 strong workforce in Antrim have been discussed with the unions "whose continued co-operation is essential for its success."

At the heart of Akzo's remedial action is the co-ordination of UK and continental fibre production through Enka. British Enkalon's polyester, nylon textile and carpet yarn

production appears to dovetail, rather than overlap, with Enka's output in Holland and Germany and a new policy of product harmonisation is designed to allow the Antrim plant to increase exports (amounting to £12m of the £60m turnover total in 1979) while holding its position in the UK market.

The plan is still in the chrysalis stage. British Enkalon, Mr. Schierbeek said, has yet to decide on the choice of new plant, for example, and the extent to which it will lease new equipment will be decided by interest rate trends.

Shareholders, however, may wonder why the re-structuring of British Enkalon has not been undertaken before. The board readily admits that "the longer term viability of British Enkalon cannot be assured without such action" but it is clear that the group's fortunes have been wanting since the Flitborough disaster in 1974.

The group says it has invested in new plant and equipment at a reasonable level over recent years but cash generation has been inadequate to meet its needs.

British Enkalon makes no secret of the fact that "the timing of a return to profitability and the level of profitability which could be achieved must inevitably remain uncertain."

After the group's past travails, at least shareholders will not be totally surprised to discover that no dividend can be expected until December 1983, "at the earliest."

Lloyds & Scottish placing  
to finance U.S. purchase

Lloyds and Scottish, the UK finance group, has raised £13.8m to pay for its new U.S. acquisition, James Talcott Factors, by placing 10.95m shares with its two main shareholders, Lloyds Bank and the Royal Bank of Scotland.

The two banks, which each owns 39 per cent of the company, will then offer nearly 2.4m of the new shares at 125p each through S. G. Warburg to other shareholders on a one-for-10 basis. Yesterday, its shares closed unchanged at 135p.

The purchase of the U.S. company for \$32.75m cash from Talcott National Corporation was completed on Tuesday. Included in the price is £12.25m as part of the agreement by Talcott National not to compete with its former subsidiary for five years.

The cost of the non-competition part of the deal to Lloyds and Scottish is estimated at around a net \$7m after amortisation over five years with tax relief at current rates.

The acquisition of the factoring company, which earned a profit of \$17.5m before interest and tax last year against \$13.7m in 1978, marks Lloyds and Scottish's first move into the U.S. market.

As well as the straight purchase price, the UK company has also refinanced some \$30m of inter-group indebtedness of James Talcott Factors. In April of last year, the Talcott group completed a major restructuring plan to restore its financial health.

Lloyds and Scottish made clear its intention of moving into new areas when it sold its television rental business at the end of 1978 for \$61m. It also bought Cedar Holdings, the second mortgage company, for almost £10m.

Granada  
expands  
in France

Granada Group's TV rental subsidiary in France, Nova-Tel SA, has recently acquired 80 per cent of the share capital of Telebank-France SA, with the consent of the French authorities.

Telebank was a wholly-owned subsidiary of Oceanic SA, which in turn is wholly owned by ITT of the U.S. Telebank rents television sets to hotels and hospitals in France and at the date of

acquisition had approximately 33,000 units on rental.

The acquisition was for cash and, together with Telebank's bank borrowings, the total cost amounted to £3.5m.

£11m purchase  
by Kent  
Messenger

Kent Messenger weekly newspaper group has paid around £11m for Kent County Newspapers, publisher of the oldest newspaper in the county.

The deal will boost the total circulation of the Kent Messenger Group, owned by the Bootman family from 124,000 to over 175,000.

Kent County publishes the Kentish Gazette in Canterbury, founded in 1717, as well as the Kent Herald, the Herne Bay Press and the East Kent Mercury.

The total turnover of the enlarged group, including non-publishing activities, will be over £12m. Kent County was controlled by the Hews family, which will now be represented on the Kent Messenger's board.

Thomson T-Line chief puts  
60% of capital on market

Kleinwort Benson, the merchant bank, has been asked by Mr. David Thomson, chairman of Thomson T-Line Caravans, to find a purchaser for his, and his family's, shares in the company.

The total number of shares up for sale is 990,000, representing around 60 per cent of the equity of Thomson, a caravan manufacturer and supplier.

On the Stock Exchange the group's shares rose 3p to 65p, which values Thomson at £1.1m. If a sale goes through, the purchaser is to be asked to extend the same offer to all other shareholders.

The planned disposal was unveiled at yesterday's annual general meeting by Mr. Thomson, who told shareholders that he had now passed the normal retiring age and he believed that the next stage of Thomson T-Line's development should be in other hands.

Kleinwort said yesterday that

there had been a number of expressions of interest. An announcement will be made as soon as possible regarding an acceptable offer although it is anticipated that this may not be for some weeks.

In its last financial year ending December 1979, Thomson T-Line reported a loss before interest and tax of £271,330 compared with losses of £149,252 in the previous year.

The group explained in its last accounts that its freehold land and buildings were revalued at £2.01m in September, 1979, which had been incorporated in the accounts. Net current assets and fixed assets totalled £2.71m compared with £1.30m.

The directors said that they were seeking to dispose of the group's unutilised land and factory accommodation.

## DUBILIER PURCHASE

The directors of Dubilier, electronic components manufacturers, say the recent purchase

of Flight Connector Corporation of California is to be financed partly by the issue of two million new ordinary Dubilier shares at 46p per share and partly by a 7-year Eurodollar loan.

The new shares are to be placed directly with institutional investors in London. Hambros Bank has entered into an agreement with Dubilier to subscribe for or procure subscribers for the newly issued shares which total 8.5 per cent of the existing ordinary share capital.

The new shares will rank pari passu with the existing ordinary shares, except that they will not qualify for the interim dividend declared on May 12.

The portion to be financed by bank borrowings is to be provided by Barclays Bank International in the form of a Eurodollar loan facility of U.S. \$2.15m.

The acquisition is conditional on approval of Dubilier shareholders at an extraordinary general meeting on June 13.

KCA offshoot buying \$40m  
drillship from Dutch yard

BY WILLIAM HALL, SHIPPING CORRESPONDENT

KCA Offshore Drilling, the newly established offshore drilling arm of KCA International, is buying a \$40m dynamically positioned drillship from a Dutch shipyard.

The vessel is already half completed and should be operational in 12 months. Earlier this month KCA International announced that it was negotiating an order for four semi-submersible drilling rigs costing around £180m and it expects to finalise its first order "shortly."

Mr. Paul Bristol, KCA's chair-

man, disclosed the purchase of the new drillship at the company's annual meeting in London yesterday.

The new ship, which can drill in water of up to 4,000 ft and at depths of up to 25,000 ft, will be equipped with anchors as well as its dynamic positioning system which will allow it to drill in shallow water as well as deep water.

Mr. Bristol said that the new drillship would be worth \$90m at today's prices and should be capable of earning at least \$80,000 per day. The off-shore drilling market has picked up over the past few months and there are shortages of many types of off-shore drilling equipment.

The new drillship will be financed with traditional shipyard credits and KCA has yet to decide whether to bring in outside partners. Mr. Bristol said he would like to bring outside partners into KCA Offshore Drilling but preferred a private placement as opposed to a public quotation, as was the case with Berkeley Petroleum.

Mr. Bristol also elaborated further on his plans to build KCA International into the oil equivalent of an old fashioned

mining finance house. He revealed that a new company, Universal Oil Services, has been formed in Bahrain and this will take responsibility for all KCA's Middle East operations, including Libya and Pakistan.

The intention is to float off half the equity of Universal Oil Services in the Middle East within the next year. KCA hopes to get a share quote, probably in Luxembourg.

KCA is also intent on expanding its North American interests and for this purpose has formed KCA Inc., which will seek a U.S. Stock Exchange listing.

KCA Inc. will run and co-ordinate all KCA's drilling and mud activities in Canada, the U.S., Venezuela and Brazil. The chairman said KCA was close to buying an American mud company for "about \$1m" and a drilling company for "about \$15m."

"Although the U.S. is already the leading oil and oil services market, the scope for expansion is very considerable. It is our intention to participate in this expansion," Mr. Bristol said yesterday. He added that he would like to retain up to 80 per cent of KCA Inc. when it went public.

## SHARE STAKES

Associated Dairies—Mr. A. N. Stockdale, director, has disposed of 150,000 shares at 177p, leaving holding 691,185 shares (0.384 per cent).

Stenhous Holdings—Interest of P. R. Stenhous now: holding 35,527 non-beneficial 11,413,793 shares.

Travis and Arnold—Mr. E. R. A. Travis, director, has disposed of 25,000 shares at 25p, leaving holding 341,658 shares (7.3 per cent).

Cooper Group—Mr. M. R. Gluck, director, has disposed of 20,000 shares.

Eurotherm International—Mr. R. C. Chessell, director, on April 25 disposed of 25,000 shares, leaving holding 314,497 shares (2.76 per cent).

Brook Street Bureau of Mayfair—Mr. E. Hurst, director, has disposed of 37,625 shares and Mr. M. Hurst, director, 37,625 shares. In each case 20,125 shares of the above were sold to the trustees of the Brook Street employee profit sharing scheme.

Child Health Research Investment Trust—Mrs. Sylvia Clegg is interested in 50,000 shares (10 per cent).

John Brown and Co.—British Railways Board has sold 120,000 shares, reducing holding of British Railways Pension Funds to below 5 per cent.

Alphair—James Gulliver Associates Investments has purchased 25,000 shares at 57p, following which it is interested in 1,057,500 shares (8.56 per cent).

Valter Duncan and Goodfrieke—As a result of disposals of shares, interests of Imperial

Group, and the L.T.C. Pension Trust, jointly with I.T.C. Pension Investments have fallen below 5 per cent.

Greenbank Industrial Holdings—The non-beneficial interests of Mr. H. W. Loveday, director, has been reduced to 785,190 shares (3.1 per cent). The beneficial interests of Mr. J. E. Williams, director, now total 1,936,478 shares (7.68 per cent).

F. Miller (Textiles)—Mrs. S. Miller, has disposed of 30,000 ordinary shares and Mrs. M. Dantzie, has disposed of 50,000 shares.

Boustead—Mr. A. Chorton, chairman, has acquired a further 35,000 shares and now holds 335,000 shares.

Alexander Holdings—Mr. H. Clayton, director, has purchased 50,000 ordinary shares.

Diploma—Following a sale of 64,500 ordinary and a reorganisation of family interests, A. M. R. Parkinson, director, has ceased to be beneficially interested in 35,607 ordinary.

W. A. Tyack and Co.—R. T. V. Hunt, director, has acquired 20,000 ordinary. D. S. Tyack, director, has disposed of 60,000 ordinary reducing his holding to 754,500 shares (15.09 per cent).

Satchell and Satchell—Campion Communications Inc. has purchased 68,000 ordinary making its holding 54 per cent.

Investment Group—E. Nassar is interested in a further 100,000 ordinary making total interest 1,681 (8.3 per cent).

Trafford Park Estates—Britannia Assurance has purchased 62,000 ordinary making holding 538,000 (5 per cent).

Ferguson Lacey  
completes sale  
of Arbuthnot stake

Mr. Graham Ferguson Lacey has completed the sale of his 14 per cent holding in Arbuthnot Latham, the accepting house. Some 306,000 shares have been bought by Maccom SA, a subsidiary of Cook Industries of Memphis, bringing its stake in Arbuthnot to 13.8 per cent.

The remaining 710,000 shares (9.8 per cent) have been acquired by The Securities Group, a U.S. money broker operating with a paid up capital in excess of \$30m, owned by a Mr. Charles Atkins.

The Bank of England "has been kept informed and has indicated that it has no objection" to the deal, according to the official announcement yesterday and Arbuthnot has welcomed the new shareholders.

## BUE DEAL

British Underwater Engineering has acquired an 86.6 per cent holding in R. R. Chapman (Sub Sea Surveys), a leading company in the operation of remotely-controlled vehicles which are used primarily for inspecting pipelines and structures.

Sub Sea Surveys was established in 1977 with the support of the National Enterprise Board. It was previously owned jointly by three founder directors, the Peckston Group and the NEE.

The executive directors will continue to hold a 13.4 per cent stake.

The deal values the company in excess of £1m.

Monier forced to drop  
bid for Clifton Brick

FOLLOWING tough opposition from major shareholders, Monier, the Australian building and industrial products group, has been forced to drop its £22m bid for Clifton Brick Holdings.

Monier originally offered A\$1.65 cash a share, which was rejected by a group of shareholders with 42 per cent of Clifton's capital.

Last week Monier privately offered to increase its bid to A\$1.75 a share if the Clifton board would recommend acceptance. But the directors wanted Monier to declare its bid unconditional.

Monier withdrew its offer yesterday pointing to recent purchases of shares by a private company close to the major shareholders.

This, Monier said, further strengthened a small group of investors to oppose the bid. Monier directors said they would return all acceptances and regretted that a substantial number of Clifton shareholders had agreed to its bid would be unable to receive the higher offer.

Redland, the UK supplier of materials and services to the construction industry, owns about 47.6 per cent of Monier.

## INTERIM REPORT

Unaudited Results for the six months ended 31st March, 1980

	6 months to 31.3.80	6 months to 31.3.79	12 months to 30.9.79
Trading profit	313.3	313.79	309.79
Interest receivable	1,589	974	2,869
Profit before taxation	351	153	455
Taxation	1,940	1,127	3,324
Profit after taxation	679	347	1,024
	1,261	780	2,300

The figures illustrate continued progress, but include a further material transfer of profitability from the second half to the first half of the year, due to a change in the historically seasonal pattern in the major coachbuilding activity.

All divisions have improved on their trading profitability and interest receivable is sharply up due to the combination of the Group's strong liquid position and continuing high interest rates.

Order books are good, and the full year's results are expected to show a useful advance on those of last year.

Interim Dividend increased from 2.25p to 3p net per share.

Phoenix Coachbuilding Limited, Castle Works, Summer Road, Loughborough (LE11 1JQ)

**PLAXTONS**  
The Great British Coach Builders

**Standard Chartered Bank Limited**  
(Incorporated with limited liability in England)

U.S. \$50,000,000  
Floating Rate Capital Notes 1984

For the six months from 29th May 1980 to 29th November 1980 the notes will carry an interest rate of 10.1% per annum. On 29th November, 1980 interest of U.S. \$51.15 will be due per U.S. \$1,000 Note for coupon No. 7.

Principal Paying Agent  
European-American Bank & Trust Company  
10 Hanover Square  
New York, N.Y. 10005

Agent Bank: Morgan Guaranty Trust Company of New York, London

**UNITED OVERSEAS BANK LIMITED**  
(Incorporated in the Republic of Singapore)

U.S. \$25,000,000 Floating Rate  
Note Issue due 1981

For the six months 29th May, 1980 to 28th November, 1980 The Notes will carry an interest rate of 10.1% per cent, per annum.

By: Morgan Guaranty Trust Company of New York, London Agent Bank

Walter  
**LAWRENCE**  
**Walter Lawrence Limited**  
Construction • Housing and Property Development • Plant Hire  
Manufacturing • Timber Products • Engineering  
**RECORD PROFITS**

	18 months ended 31 Dec. 1979	12 months ended 30 June 1978	Increase on annualised basis
Turnover	75,081	39,841	26%
Operating profit	3,138	1,496	40%
Interest	923	365	69%
Profit before taxation	2,215	1,131	31%
Shareholders' funds	8,008	6,042	33%

- POINTS FROM THE ANNUAL STATEMENT OF MR JOHN REDGRAVE, CHAIRMAN**
- \* Higher profits together with benefits of permanent stock relief produced annualised earnings per share of 18.5p against 10.1p.
  - \* Dividend up by 15 per cent gross.
  - \* Assets per share up from 121p to 160p.
  - \* Board proposes introduction of employee share scheme.
  - \* Group not immune from general economic climate but overall Board expects that results for current year will not be unacceptable.

The Report and Accounts may be obtained from: The Secretary, Walter Lawrence Limited, Lawrence House, Sun Street, Sawbridgeworth, Hertfordshire CM21 9JX.

**PHOENIX**  
ASSURANCE COMPANY LIMITED

## ESTIMATED RESULTS TO 31st MARCH 1980

The following are the estimated and unaudited results of the Phoenix group of companies for the three months ended 31st March, 1980 with the comparative figures for the corresponding period in 1979 and actual results for the full year 1979.

	3 months to 31.3.80	3 months to 31.3.79	Year 1979
	£m	£m	£m
Net premiums written: General (fire, accident, marine and aviation)	95.5	91.5	355.9
Investment income	12.0	11.5	45.3
Underwriting results:			
General	-5.6	-6.4	-14.1
Long-term	0.8	0.5	3.1
	7.2	5.6	34.3
Less expenses not charged to other accounts	0.5	0.4	2.2
Profit before taxation	6.7	5.2	32.1
Less: Taxation	2.2	1.5	11.4
Minority interests	1.0	0.8	2.3
Net profit	3.5	2.9	18.4
Earnings per share	5.7p	4.8p	30.4p

In converting US dollar transactions for the 3 months to 31st March, 1980 a rate of \$2.16 has been used (\$2.07 for the 3 months to 31st March, 1979 and \$2.22 for the year 1979).

## NEW LONG-TERM BUSINESS

	3 months to 31.3.80	3 months to 31.3.79	Year 1979
	£m	£m	£m
Sums assured	518.6	391.3	2,006.4
Annuities per annum	5.6	3.9	20.9
Annual premiums	5.0	3.4	17.5
Single premiums	7.1	6.7	26.9

## Chairman's Comments

At the annual general meeting of the company held today, Mr. Jocelyn Hambro, Chairman, included in his remarks the following comments on the results for the three months ended 31st March, 1980.

"The pre-tax profit has increased by 29% to £6.7 million. This improvement has been achieved despite the adverse impact of currency fluctuations on our published figures, notably from certain European countries important to us, including Denmark where the year on year depreciation of the krone has exceeded 20%. An 11% increase in general premiums becomes a 4% increase when converted to sterling. Likewise, an investment income growth rate of 13% in currency becomes 4% in sterling."

"The general business underwriting loss shows an overall reduction from £6.4 million to £5.6 million. There has been some improvement in the United Kingdom despite inflation and our involvement of £1 million in the British Aerospace loss. Europe too has improved, mainly in Denmark and the Netherlands. However, as widely forecast, United States results have deteriorated and the group suffered an underwriting loss of £1.1 million (operating ratio 104.6) compared with a virtual break-even (operating ratio 97.9) for the corresponding period of 1979."

The Chairman went on to say, "We always emphasise that one quarter's results cannot be taken as a reliable guide to results for the full year. In my statement for the year 1979 I expressed some hope for a return to a more normal pattern of losses. It is too early to say whether this will be so for the year 1980 as a whole."

"Finally it is particularly gratifying that the excellent record of life new business production achieved in 1979 has continued into the first quarter and we are looking forward to another good year from that department."



150 150 150



Companies and Markets **MINING NEWS**

# RTZ selects banker to take over chair

**RIO TINTO-ZINC**, the London mining house, has reached agreement with Codemina, the state mining agency in Panama, on the development of the giant Cerro Colorado copper deposit. This was disclosed yesterday by Sir Mark Turner, the chairman, at the annual meeting in London and follows reports earlier this month that talks about RTZ participation had started.

The agreement is in principle only at this stage. No details were revealed by Sir Mark, but it is assumed that RTZ will take over the 49 per cent stake in Cerro Colorado currently held by Texasgulf the U.S. group. To obtain this RTZ is likely to pay Texasgulf about \$5.5m (£3.3m).

Codemina has a stake of 51 per cent in the project and will presumably maintain its majority ownership.

Sir Mark did not commit RTZ finally to developing the deposit but his remark that "on the basis of known copper properties in North and South America, Cerro Colorado must rank as one of the great potential mines of the future," left no doubt of RTZ's determination.

Formally, RTZ is undertaking to reassess "the viability of the large low grade porphyry ore body with reserves of over 1bn tonnes which would be developed by open pit mining." Informally, it is thought RTZ will spend up to \$15m on its study and reach a decision on a mine in a matter of months.

It looks as if the Panama Government's search for a joint venture is now at an end. The deposit was first discovered in the 1930s and has been a subject of development discussion since the early 1960s. The establishment of a mine would be extremely costly and would involve building roads, a town-

ship and a port.

RTZ's final decision will be based on a view of copper prices seen over the medium and long term. First production from Cerro Colorado is not likely until the middle of the decade.

In the shorter term Sir Mark had little to offer shareholders. The year had started well, he said, but metal prices had fallen substantially over the last two months.

He made no predictions for the rest of the year and did not state whether the group would match the dividend payments for 1979 which came to 15p after record net profits of £149.8m.

On the negative side he complained about the effect on costs caused by higher oil prices, the unacceptable rate of inflation and the uncertain and threatening international climate.

But the positive side is that the group's mines are low cost. "If any mining house is going to do well, we will too," Sir Mark said.

## DIAMONDS IN CHINA

Chinese geologists have discovered more than 100 natural diamonds in two chromite ore deposits in Tibet, according to the New China News Agency. This is the first time that diamonds have been discovered in ultrabasic rocks in China.

## GLOBE AND PHOENIX

The Zimbabwe gold producer Globe and Phoenix Gold Mining experienced a sharp recovery from a loss to a profit in Zimbabwe during 1979, on the back of increased revenue from gold sales, but profits from the UK

were much lower. Pre-tax profits from Zimbabwe were £45,586 (Zimbabwe dollars (\$50,000)) against a loss last time of £258,071, while pre-tax profits from the UK fell from £54,608 to £31,455. An unchanged dividend of 1.25p per share is proposed.

## Freeport to boost Nevada gold output

**THE AMERICAN** companies Freeport Minerals and FMC Corporation have decided to go ahead with a \$115m (£48.5m) plan to expand their jointly-owned gold mining and milling project at Ferris Canyon, Nevada. Construction has already begun, the partners said yesterday.

The move is a further indication of a growing willingness on the part of North American companies to exploit the strength of the bullion price, despite recent fluctuations.

The project is expected to be completed by the third quarter of 1981, and the companies hope that output approaching annual rated capacity of some 200,000 oz of gold can be achieved by mid-1982.

Freeport owns 70 per cent of the project, with the remaining 30 per cent in the hands of FMC.

## URANIUM FIND IN FRANCE

Uranium deposits totalling an estimated 20,000 tonnes have been found near Courras, north-east of Bordeaux. This represents about one-fifth of France's known uranium reserves.

**UK COMPANY NEWS**

# REPORTS TO MEETINGS Bemrose recovery programme suffers major setback

**THE RECENT** printing dispute had meant a "major setback" to the planned recovery from last year's profits collapse at Bemrose Corporation, chief executive Mr. David Wigglesworth told the company's annual general meeting. But he said the eventual cost to the corporation would be "delay rather than permanent damage." Until the start of the dispute, performance had been ahead of budget, he said.

The first quarter saw "excellent" results from security printing, "poor" performances from books, transfer printing and cylinder printing, with packaging and calendars "steady," said Mr. Wigglesworth.

The company's programme of heavy capital investment had peaked, and the results were beginning to be felt, though more slowly than was first hoped, he said. But he warned that the general economic climate for the current year was not encouraging.

At other meetings, the chairman said:

**Brent Chemicals International**—The company was well placed to continue its profitable expansion by organic growth and judicious acquisition, although prospects for the first half of 1980 were viewed with some caution.

After a good overall start in the first two months, certain sectors of the company's UK business had experienced difficult business conditions, particularly affecting sales to the automotive, steel and general engineering industries, where demand was noticeably lower.

However, the overseas operations had continued to make good progress and as planned, were making an increasingly important contribution to sales and profits.

**John Menzies (Holdings)**—First-half profits might show a small reduction on last year, but the full-year's profits were still expected to show an increase over the previous year.

Sales for the first 13 weeks were 25 per cent ahead, but loss of turnover due to the NGA stoppage, NUJ dispute, and the "Day of Action" could affect the six months profits. Profits, however, were tending to swing to the second half due to the growth of the retail division and higher interest rates.

**ASSOCIATES DEAL**  
Grieverson, Grant and Co. bought on behalf of discretionary investment clients 50,000 Keyser Ullman Holdings shares at 76p and 35,000 at 76p on May 27.

# First quarter increase for Phoenix Assurance

**A 29 PER CENT** improvement in pre-tax profits from £5.2m to £6.7m is reported by Phoenix Assurance Company for the first quarter of the year. The underwriting losses were cut from £6.4m to £5.6m in the period, while investment income rose by 4 per cent in sterling terms.

The net profit amounted to £3.5m against £2.9m after a higher tax charge of £2.2m against £1.5m and higher minority interests of £1m against £800,000. Earnings per share rose from 4.8p to 5.7p.

Underwriting deteriorated in the U.S., in line with general market conditions, amounting to a loss of £1.1m against a break-even situation last year. The operating ratio rose from 97.9 per cent to 104.6 per cent.

In the UK the underwriting loss in the quarter was cut to £3.4m from £4.4m in the first quarter of 1979, despite the company having a loss of £1m on the massive fire in January at the British Aircraft Corporation's warehouse in Weybridge. The mild winter resulted in a considerable improvement in the household account, but the motor account was affected by the high rates of inflation.

Business improvement in Europe, notably in Denmark and the Netherlands, where a small underwriting profit was achieved. The company is quietly optimistic with its European business after years of comparatively poor results.

Mr. Jocelyn Hambro, chairman of Phoenix, pointed out

that both premium and investment income had been distorted by currency fluctuations. General premium income had grown in the period by only 4 per cent in sterling terms, but the underwriting growth was 11 per cent. Similarly the real growth in investment income was 13 per cent.

Long-term business had a successful start to the year, with new sums assured rising by one-third from £391m to £518m. The transfer from long term business amounted to £800,000 against £500,000 in 1979.

## comment

Given the mild winter weather in both the UK and the U.S., the first quarter results from Phoenix Assurance do not make exciting reading. The downswing in the U.S. held back the overall underwriting recovery, while the improvement in the UK was not impressive. But the biggest disappointment was the sluggish growth in investment income in view of continued high interest rates. The picture for the rest of the year looks brighter as higher premium rates on motor and household business work through and a better growth in investment income picks up. The shares rose 2p to 220p on the news, where the yield is 8.6 per cent.

**S. WRIGHTSON**  
Stewart Wrightson, the insurance broker, has formed a new

## Underwriting improves at Sun Alliance

**UNDERWRITING** at Sun Alliance Insurance Group so far this year appeared to have met similar conditions to those of its principal competitors and, in the absence of severe weather, results had shown some improvement on 1979. Lord Aldington, chairman, told shareholders at yesterday's AGM.

Difficult underwriting conditions, especially the effects of increasingly high rates of inflation, remained all too evident and there had been further deterioration in several important sections of the group's business at home and abroad.

Investment income had continued to benefit from high interest rates and had shown good growth in the first quarter, he added.

**OIL AND GAS NEWS**

# Gas find boosts Strata Oil

Shares in Strata Oil N.L., the Australian oil and gas exploration company, advanced 9p more to 24p on the London Stock Exchange yesterday—double the price ruling on Tuesday morning—following news that it had discovered an "encouraging" gas find in the Woodada 1 well in the Perth Basin, 13 km north-west of Eneabba. Woodada 1 is five miles from the Dongara-Perth pipeline.

Strata has a 28.95 per cent interest in the well. Hughes and Hughes, an American partnership, has a 65 per cent stake in the well while the remaining 8.05 per cent is divided between

various companies and individuals.

Yesterday Strata announced that the calculated flow rate for the well during testing was 6.8m cubic feet of gas a day. No water was recovered.

The well is currently at a depth of 2,373 metres and electric logs show a "Target" depth of Woodada 1 is 3,000 metres.

Strata Oil is 25 per cent owned by North West Mining and 16.8 per cent by Haoma Gold Mines.

Endeavour Resources, a member of the Bond group of companies currently engaged in the

takeover battle for White Industries, has reached agreement with Bridge Oil, Offshore Oil and Crusader Oil to farm into the Dalkeith Block within ATP-145F, Queensland.

Under the terms of the deal Endeavour has to carry out not less than 50 km of seismic work and drill two wells to earn a 25 per cent working interest in the block.

The Dalkeith Block covers an area of about 375 square km in the Surat Basin. The centre of the block is situated some 30 km north of the Alton oilfield and a similar distance east-southeast of the Silver Springs gasfield. The agreement is subject to the approval of the Minister for Mines, Queensland.

Endeavour also says that it hopes relisting of its shares will take place early next week. The shares were suspended on May 14.

**BP Petroleum Australia** said increased gas levels have been detected in its Phoenix No. 1 exploration well on the North West Shelf reports Reuter from Melbourne.

BP said the well has reached a subsea depth of 4,333 metres and the current operation is coring. The increased gas levels were detected over the intervals 4,290 to 4,305 metres and 4,315 to 4,333 metres. The significance of the shows will be evaluated in due course by wireline logs.

BP Petroleum Australia is drilling the well with a semi-submersible rig in Shell permit area WA-62-P under a farmout agreement.

On completion of the agreement BP will have a 55 per cent interest in the permit area. Other interests will be AAR, 4.5 per cent, Australian Oil and Gas Corporation, 4.5 per cent, Bridge Oil, 4.5 per cent, Oxo International, 9 per cent, Endeavour Resources, 4.5 per cent, Offshore Oil, 4.5 per cent, Peryte Exploration, 6.75 per cent, and Voyager Petroleum, 6.75 per cent.

## SANDVIK AKTIEBOLAG

U.S.\$35,000,000 6 1/4% Convertible Bonds Due 15th March, 1988

### AMENDED NOTICE OF ADJUSTMENT

Notice is hereby given to the holders of the above-mentioned bonds that the Annual General Meeting of the Company, held on 9th May, 1980, approved a resolution for the issue to the holders of A shares and B shares, pro rata to their holdings, of new A and B shares free of payment by way of a bonus issue in the proportion of one new A share for every six A shares and one new B share for every six B shares held. Bonds in respect of which the conversion date falls after 18th March, 1980 will be dealt with in accordance with Condition 7(D)(III) of the bonds until the day after the Record Date for the issue of the Record Date having been fixed by the Annual General Meeting of the Company to be 28th July, 1980.

In consequence of the bonus issue, the conversion rate for the above-mentioned bonds will be adjusted to 23.7428 B shares per bond, effective as from 28th July, 1980, the first business day after the Record Date.

Holders of the above-mentioned bonds should note that the Record Date and the Effective Date for the adjusted conversion rate have been changed from the dates published in a notice to the bondholders on 18th March, 1980, at which time it was expected that the Record Date would be 4th June, 1980, and the Effective Date for the adjusted conversion rate would be as from 5th June, 1980. The reason for the change is that the publication of the Swedish Official Gazette in which according to Swedish law all increases of the Company's share capital must be announced in order to take effect has been delayed by the recent industrial dispute in Sweden.

28th May, 1980  
SANDVIK AKTIEBOLAG



**PORTER CHADBURN LIMITED**

*Highlights from the statement of D. C. Bamford, C.B.E., the Chairman*

- \* A reduction in the volume of sales, largely engendered by industrial action, has had its inevitable effect upon the year's result.
- \* Change in accounting policy has substantially increased Shareholders' Funds and reduced the provision for taxation for the year.
- \* The adverse factors which reduced Group profit affected all engineering operations so that only Porter Chadburn (Plastics) was able to improve its performance.
- \* A reduction in cash flow at a time when severe inflation is affecting stocks has led to increased short term borrowing and this, combined with exceptionally high interest rates, has also affected profit at the pretax level.

**Results for 52 weeks ended 3rd Jan., 1980**

	1980	1979
Turnover	15,167	14,586
Profit before tax	674.3	1,115.4
Taxation	98.9	278.2
Profit after tax	575.4	839.2
Dividends	202.9	194.3
Retained profits	372.5	644.9
Earnings per share	17.67p	25.83p

- \* Investment in fixed assets limited to bare essentials for the current year, following the substantial sums expended in 1978/79.
- \* Unlike the previous two years, wage settlements were negotiated without serious disruption by industrial action.
- \* The current year has not started particularly well, being affected by the steel strike. Performance must depend very largely on that of the British economy, and an absence of the disruptions of 1979.

A copy of the Report and Accounts and Chairman's Statement may be obtained from the Secretary:  
PARK LANE • BOOTLE • MERSEYSIDE • L30 4UP

# We started contracting 100 years ago; we've been expanding ever since

In the year to 31 December 1979, George Wimpey's turnover topped £1,000 million, for the first time in its 100 year history. Pre-tax profits were £47.3 million and the directors propose a final ordinary dividend of £5.8 million.

At the end of 1979, the Group had around £100 million worth of plant, equipment and transport at its disposal. At any one time, Wimpey has over 600 projects under way across five continents. The Group employs some 40,000 people worldwide, with over 50 offices in 31 countries.

Wimpey builds motorways, bridges, dams, harbours, drydocks, runways, airports, reservoirs, refineries, oil and gas rigs, smelters, mosques, schools, universities, hospitals, offices, factories, irrigation schemes and homes. Very different from the stonemasons business George Wimpey set up in Hammersmith in 1880.

Today, the Wimpey Group is one of the largest, most experienced contractors in the world. And a 100 years in the construction business proves that the more we contract, the more we expand.

For a copy of our 1979 Report and Accounts, please write to the Secretary, George Wimpey Limited, 27, Hammersmith Grove, London W6 7EN.

	1979
Turnover	£1,004.0m
Profit before tax	£47.3m
Profit after tax	£40.9m
Dividend	£5.8m
Earnings per share	16.0p

**1880 WIMPEY 1980**



		On day -0.4	On week -0.4
60	Bid	Offer	Yield
50	97	98	+11 11.36
50	104	105	+2 12.30
30	1014	1026	+15 12.87
50	97	98	+11 11.36
50	104	105	+2 12.30
30	1014	1026	+15 12.87
50	97	98	+11 11.36
50	104	105	+2 12.30
30	1014	1026	+15 12.87



## FRENCH MOTOR INDUSTRY

## Renault swings out of red as sales rise

PARIS — Renault, the French motor group, swung solidly into the black last year, realising a net income of FF 1.1bn (\$233m) on turnover of FF 68.5bn against a loss of FF 1.02bn on turnover of FF 57.2bn in 1979.

The state-owned group said 45.3 per cent of consolidated sales in 1979 were abroad. Net consolidated income was achieved after FF 87m of tax, compared with FF 47m in 1978.

The group's industrial and

commercial investments rose by 26 per cent in 1979 to FF 4.2bn, of which FF 3.5bn was self-financed, compared with FF 2.1bn a year before. Financial subsidiaries invested FF 3.3bn last year of which 75 per cent was self-financed.

Renault said the improvement in its self-financing ability and a substantial improvement in its working capital had been realised through a moderate increase in long-term debt to FF 4.7bn. The company pointed out, how-

ever, that its overall net debt had declined and represented 8.7 per cent of annual turnover, compared with 13.6 per cent in 1978.

Renault said a strong expansion of activity which was responsible for the considerably improved earnings. High activity had continued during the first four months of this year.

Renault produced 1.89m private cars and light goods vehicles worldwide last year, an increase of 10.5 per cent. The

group accounted for 12.9 per cent of car sales in the European Community and had more sales than any other European car group. Renault said that during the first four months of this year it had managed to widen its Community market share to almost 15 per cent.

Renault's share of the French car market was 35 per cent in 1979, and by the end of April this year it had risen to 42.5 per cent.

During the first four months

of 1979 Renault produced 783,071 cars and light goods vehicles worldwide. Over the same period the company's exports rose 28 per cent to 223,949 units.

Renault said there had been a considerable improvement in the financial situation of its truck-building division Renault Vehicules Industriels (RVI). Sales rose by 10.6 per cent last year and RVI was able to reduce its 1978 loss. AP-DJ

## Increased profit and dividend at Solvay

By Our Financial Staff

SOLVAY, the Belgian chemical group and the country's second largest industrial company, reports sharply higher profits for 1979 and is lifting its dividend.

At the net level consolidated profits are BFR 4.7bn (\$166m) compared to BFR 3.26bn, a gain of 44 per cent. The dividend on the A and B shares is going up to BFR 250 from BFR 200. The payment on the C shares is held at BFR 100.

Sales improved by 27 per cent to BFR 121bn, and higher demand allowed a better utilisation of manufacturing capacity, the company said yesterday. Selling prices were also firmer, although costs rose at a faster rate.

Industrial cash flow last year totalled BFR 12.6bn, up from BFR 9.6bn. The company's industrial operations incurred a depreciation charge of BFR 7.7bn which was slightly above the charge in 1978.

At the half-way stage in 1979 Solvay reported a gain of 56 per cent in earnings but its interim figures excluded the results of subsidiaries. Six month sales were BFR 60bn against BFR 48bn.

First quarter results which show a sharp fall in profits for Bekaert, the Belgian wiremaker, were "satisfactory," said Baron Antoine Bekaert, chairman, at the annual shareholders' meeting.

Business during the first half of the current year is likely to be "more profitable than expected," especially for wire, he said.

Profits for the first quarter dropped to BFR 797m against BFR 1.2bn over the same period last year.

## Skandia expects improvement

BY WILLIAM DUFFLOR, NORDIC EDITOR, IN STOCKHOLM

SKANDIA, the Swedish insurance company, expects improved results from its international operations and its capital management to offset a profit decline on its Swedish non-life insurance business this year.

Consolidated earnings should fall within the area of the last two years' profits, according to the report to shareholders.

This revises the 1979 figures given in a preliminary report in January. Final 1979 profits were SKr 583m (\$138m) compared with the SKr 510m indicated in January and the SKr 469m achieved in 1978.

As reported earlier, Skandia is celebrating its 125th anniversary by raising the dividend from an adjusted SKr 5.88 to SKr 8 a share, adding a SKr 1 bonus to make a total payment of SKr 9 a share.

Profit breaks down into SKr 261m from domestic insurance, SKr 268m from capital management and SKr 36m from Skandia's international busi-

ness. Premium income on the non-life side totalled SKr 5.5bn, of which just over SKr 3bn is attributable to business outside Sweden.

Profitability, measured as earnings after tax in relation to adjusted average equity, declined from 19.7 to 18.7 per cent last year. On the other hand, capital resources rose by nearly SKr 400m, including the new share issue of SKr 150m.

Sweden's Uddeholm Group had operating losses of roughly SKr 100m (\$24.04m) on steel operations with a turnover of SKr 3.1bn, if stock gains are not included, according to the annual report, writes Victor Kayfetz in Stockholm. Power generation operations offset this, with operating earnings of SKr 105m on sales of SKr 211m.

Uddeholm, whose pre-tax profit was SKr 3m against a 1978 loss of SKr 321m, predicts a mild downturn late this year following a period of recovery. Beginning in 1981, however, the

restructuring of its stainless steel sector will yield savings of about SKr 60m a year.

Group operating profit was SKr 182m, against sales of SKr 3.25bn, against an operating loss of SKr 199m on turnover of SKr 2.54bn in 1978. The 1979 figure included stock gains of SKr 179m, against SKr 8m the year before.

The annual report provides only an incomplete breakdown of operating profit by sectors and omits some comparative figures for 1978.

But including stock gains, the tooling steel sector moved from operating earnings of SKr 7m to SKr 73m on turnover that rose 31 per cent to SKr 1.02bn. NYBY Uddeholm, the new stainless steel subsidiary that brings together the former Gränges NYBY, of which Uddeholm bought 90 per cent from Sweden's Gränges last summer — and Uddeholm's plate, wire and tube divisions, showed an operating profit of SKr 13m

## Belgian banking group reports further growth

BY GILES MERRITT IN BRUSSELS

IMPROVED profits and a higher dividend are announced by Kredietbank, the third largest bank in Belgium.

The bank, which has more than 700 branches, lifted net earnings by 5 per cent to BFR 1.7bn (\$61m) for the year ended March 31, and as a result the payment to shareholders is going up by BFR 25 a share to BFR 335.

Kredietbank which is closely associated with the country's Flemish business community, also announces a substantial increase in balance sheet totals. Its balance sheet expanded by 14.6 per cent to BFR 430bn.

The bank's working funds also increased by GFR 55bn during the period, rising 16.4 per cent to BFR 393bn.

Kredietbank's balance sheet performance was generally in line with the two larger banking groups that make up the country's "Big Three." For calendar 1979 Societe Generale de Belgique, the largest of the banks, recorded a 14.5 per cent rise in balance sheet total to BFR 856bn, while Banque Bruxelles Lambert saw its balance sheet rise by 16.3 per

cent to just over BFR 800bn.

But the figures also suggest a slowdown during the second half of the year. Last November the bank announced that its balance sheet total had grown to BFR 408bn, which was a 16 per cent improvement on the position 12 months earlier.

The bank notes what it calls the "exceptional rise" in interest rates in Belgium in recent months, but says that despite this, demand for business and investment credits "remained brisk."

Credit to the private sector by the bank rose 21 per cent to BFR 122bn, while public sector financing was up 13 per cent to BFR 135bn.

## Youghal Carpets

By Our Financial Staff

YOUGHAL CARPETS, the troubled Irish group which recently negotiated Irish £3.5m (\$7m) of government aid, reports reduced losses for 1979. Attributable losses were £10.63m compared to £13.08m. The 1978 figures are restated to reflect a change of foreign exchange accounting.

## Advance at Spanish utility

BY ROBERT GRAHAM IN MADRID

IBERDUERO, Spain's largest privately-owned utility company, reports 1979 operating profit of Pta 20bn (\$285m), up 35 per cent on the previous year. The favourable result was largely due to Iberduero's dependence on hydro-electricity and 1979 being an exceptional year for rainfall.

Almost two-thirds of power generated by Iberduero is hydro-electricity, thus lessening dependence upon its conventional oil-fired power stations. Iberduero intends to set aside Pta 13.9bn to cover divi-

dends. Provision for taxes rose 40 per cent to Pta 4.5bn and provision for reserves increased sharply during the year. Iberduero invested Pta 38bn, a large part of which was absorbed by commitments to its nuclear programme.

Iberduero is near completion of its controversial Lemoniz power plant near Bilbao in the Basque country on which Pta 57bn has already been spent. Sr. Pedro de Areito, President of Iberduero, told shareholders over the week-

end that existing tariffs for electricity were insufficient. He complained that the utilities had lost some Pta 25bn in the first five months due to the Government's failure to institute adequate tariffs.

Low tariffs, along with the need to generate high dividends to attract investment funds, are resulting in reduced cash flow. In turn, this is lowering the levels of amortisation. Iberduero, due to its lack of dependence on fuel-oil power generating stations, is in a more fortunate position than most.

## Burmeister and Wain sells head office

By Our Financial Staff

BURMEISTER AND WAIN, the Danish shipbuilder which recently pulled out of marine diesel engine production in a deal with MAN of West Germany, has sold its administrative headquarters for DKr 125m (\$22.81m).

The buyer is the Danish commercial bank, Privatbanken. Burmeister said yesterday that the office disposal was prompted by a reduction in administration staff following the move out of marine diesels.

Burmeister explained that the offices had a group book value of DKr 47m. It added that the disposal of its marine diesel interests had recently brought something like DKr 400m into the group.

The company said that its 1979 accounts would be published around the middle of next month. Their release "had been delayed" in connection with the sale of B and W Diesel. In 1979 group pre-tax profits totalled DKr 42.3m and Burmeister has already forecast reduced earnings for 1979.

West Germany's MAN purchased just under half of B and W Diesel last year and after protracted negotiations—involving at one stage a meeting between the Danish Prime Minister and the head of MAN—the German engineer finally acquired the balance of the company's shares.

## Strong rise in earnings and sales for Zanussi

BY RUPERT CORNWELL IN ROME

ZANUSSI, the leading Italian producer of domestic appliances, yesterday reported a rise of one third in parent company net earnings last year, despite continuing difficulties in home and foreign markets.

Net earnings of Industrie Zanussi SpA rose to Lit 9.9bn (\$21.5m) from Lit 3.3bn in 1978, on sales up by just 11 per cent to Lit 666bn (\$802m). Consolidated sales of the Zanussi group climbed by 23.5 per cent last year to Lit 1.015bn.

During last year investments by the parent company reached

Lit 26bn, while depreciation allowances totalled Lit 25.6bn. Zanussi also reported that hourly labour costs advanced by almost a quarter over 1978.

Among the other main operating divisions of the Group, the electronics sector was in deficit, while the construction sector also was hard hit by the sluggish domestic building industry. The company's electrical engineering activities also lost money, but the largest deficit came from its subsidiary Ducati Elettrotecnica, with a loss of Lit 4.6bn.

## Volvo Car cuts output

BY CHARLES BATCHELOR IN AMSTERDAM

VOLVO CAR, the Dutch subsidiary of the Swedish vehicle group, plans to cut its year's production target by 10,000 cars to 82,500 following a 30 per cent decline in the European car market in recent months.

The cut will mean that its losses will continue longer than originally expected but it hopes for a recovery in the car market next year. Despite record sales of 90,200 cars last year Volvo Car has been unable to achieve profitable levels of production. Capacity at its plant at Born

Production will be reduced both in the Netherlands, where 4,400 workers are employed,

and at the component plant in St. Truiden, Belgium, which employs 750.

Applications have been made to local labour offices to introduce short-time working, and talks will be held with works councils to discuss how the cuts can be implemented.

Volvo Car, the former Daf car company, makes the 66 and 340 models. The biggest cut will occur in production of 340s which are now expected to account for 74,000 of the revised production level. Stocks at the factory are at "normal" levels but they are building up at importers and dealers, the company said.

## U.S. unit hits Kymi Kymmene

BY LANCE KEYWORTH IN HELSINKI

KYMI KYMMENE, the Finnish forest products, metals and chemicals group had a satisfactory year in 1979, in all its operations except for its U.S. subsidiary Leaf River Forest Products. Its result was unsatisfactory because of the high price of saw logs.

Sales of the parent company rose 20 per cent to FF 1.73bn (\$472m) of which the paper and board division accounted for FF 1bn. Kymi's Finnish and overseas mills produced 331,545 tonnes of paper and board in 1979. Its pulp output of 255,257 tonnes was used entirely by its mills at home and abroad.

The Kymi group's consolidated sales increased 21 per cent to FF 2.64bn. If joint ventures are added, the turnover of the group was FF 3.04bn. The parent company increased its net earnings from FF 6m in 1978 to FF 19.8m and paid a dividend of 10 per cent. A rights issue this year will raise share capital to FF 286.4m.

The company's 50 per cent holding in Eurocan Pulp and Paper in Canada was sold to Euro-Cut, another Finnish company, during the fiscal year. Star Paper of the UK, 100 per cent owned by Kymi, increased its sales 63 per cent to £49.7m (\$21m). Paperies Boucher of France (70 per cent owned), raised its sales 28 per cent to FF 300.8m (\$188m), and Nordland Papier, a West German joint venture, increased its turnover 33 per cent to DM 321.7m (\$182m).

Neste, the Finnish state-owned refining, petrochemicals and shipping company raised its profit 178 per cent to FF 118m (\$31.9m) in fiscal 1979. Profitability improved in all the divisions of the company.

The 31 per cent increase in sales to FF 8.59bn (\$3.3bn) reflects the rapid inflation characterizing the year in the oil industry. Neste said in its annual report.

Deliveries of oil products to domestic consumers increased 4 per cent, of which three percentage points were attributable to stockpiling. Petrochemical sales doubled with the start-up of benzene production. Oil accounted for 84.3 per cent of the turnover, petrochemical products for 9.8 per cent, natural gas (all imported from the Soviet Union) for 3.6 per cent and shipping for 2.5 per cent.

Crude imports increased 1.8m tonnes to 12.1m tonnes, partly because some 1978 deliveries had to be postponed. The suppliers were the Soviet Union 80 per cent, Saudi Arabia 16.4 per cent, Iraq 11 per cent, Iran 8.2 per cent, UK 3.8 per cent and Norway 0.6 per cent.

Neste concluded its first three-year crude oil purchasing contract with Petromin, the Saudi state oil company for imports of 1m tonnes of crude last year and 2m tonnes in 1980 and 1981.

هكذا من العمل

U.S. \$75,000,000 Guaranteed Floating Rate Notes 1983

**Lloyds Eurofinance N.V.**  
(Incorporated with limited liability in the Netherlands)

Guaranteed on a subordinated basis as to payment of principal and interest by



**Lloyds Bank Limited**

(Incorporated with limited liability in England)

In accordance with the provisions of the Agent Bank Agreement between Lloyds Eurofinance N.V., Lloyds Bank Limited, and Citibank N.A. dated May 26, 1976, notice is hereby given that the Rate of Interest has been fixed at 10 1/4% p.a. and that the interest payable on the relevant Interest Payment Date, November 28, 1980, against Coupon No. 9 will be U.S. \$51.15 and has been computed on the actual number of days elapsed (183) divided by 360.

May 29, 1980  
By: Citibank, N.A., London, Agent Bank

**CITIBANK**

**Gabinete da Area de Sines**  
(An Agency of the Republic of Portugal)

U.S. \$50,000,000

Guaranteed Floating Rate Serial Notes 1982  
Unconditionally Guaranteed as to Payment of Principal and Interest by the

**Republic of Portugal**

In accordance with the provisions of the Notes and Agent Bank Agreement between Gabinete da Area de Sines, the Republic of Portugal and Citibank, N.A., dated May 31, 1977, notice is hereby given that the Rate of Interest has been fixed at 11 1/4% p.a. and that the interest payable on the relevant Interest Payment Date, November 28, 1980, against Coupon No. 7 will be U.S. \$337.41 and has been computed on the actual number of days elapsed (183) divided by 360.

As a result of the principal repayment of \$1,000 per Note due May 29, 1980, pursuant to Condition 7(a) of the Notes, the value of each Note will accordingly be reduced to \$6,000.

May 29, 1980  
By: Citibank, N.A., London Agent Bank

**CITIBANK**



Weekly net asset value  
on May 26, 1980

**Tokyo Pacific Holdings N.V.**

U.S. \$85.38

**Tokyo Pacific Holdings (Seaboard) N.V.**

U.S. \$62.20

Listed on the Amsterdam Stock Exchange

Information: Pierson, Holding & Pierson N.V. Herengracht 214, Amsterdam

This announcement appears as a matter of record only. The Notes were offered and sold outside the United States of America.

U.S. \$250,000,000

## Ford Overseas Finance N.V.

12 1/2 % Guaranteed Notes due May 15, 1985

Unconditionally Guaranteed as to Payment of Principal and Interest by

## Ford Motor Company

Goldman Sachs International Corp.

Deutsche Bank Aktiengesellschaft

Swiss Bank Corporation (Overseas) Limited

Algemeene Bank Nederland N.V.	AMAS S.A.	A. E. Ames & Co.	Amsterdam-Rotterdam Bank N.V.	Arnhold and S. Bleichroder, Inc.
Atlantic Capital Corporation	Bache Halsey Stuart Shields	Banca Commerciale Italiana	Banca del Gottardo	Banca Nazionale del Lavoro
Banco Central S.A.	Banco di Roma	Banco Urquijo Hispano Americano	Bank of America International	The Bank of Bermuda, Ltd.
Bank Gutzwiller, Kurz, Bungeener (Overseas)	Bank Julius Baer International	Bank für Gemeinwirtschaft	Bank Len International Ltd.	
Bank Mees & Hope NV	Banque Bruxelles Lambert S.A.		Banque Française du Commerce Extérieur	
Banque Générale du Luxembourg S.A.	Banque de l'Indochine et de Suez		Banque Internationale à Luxembourg S.A.	
Banque Louis-Dreyfus	Banque Nationale de Paris	Banque de Neufize, Schlumberger, Mallet	Banque de Paris et des Pays-Bas	
Banque de Paris et des Pays-Bas (Suisse) S.A.	Banque Populaire Suisse S.A. Luxembourg	Banque Rothschild	Banque de l'Union Européenne	
Banque Worms	Barclays International Group	Baring Brothers & Co.,	Basle Securities Corporation	Bayerische Hypotheken- und Wechsel-Bank
Bayerische Landesbank Girozentrale	Bayerische Vereinsbank	Bergan Bank	Berliner Bank	Berliner Handels- und Frankfurter Bank
Blyth Eastman Paine Webber International		B.S.I. Underwriters		Caisse Centrale des Banques Populaires
Cazenove & Co.	Centrale Rabobank	Chase Manhattan	Chemical Bank International	Christiania Bank og Kreditkasse
Commerzbank	Compagnie de Banque et d'Investissements (Underwriters) S.A.	La Compagnie Financière	Compagnie Monégasque de Banque S.A.	
Continental Illinois	Copenhagen Handelsbank	County Bank	Credit Agricole	Credit Commercial de France
Credit Industriel d'Alsace et de Lorraine S.A.	Credit Industriel et Commercial	Credit Lyonnais	Credit Suisse First Boston	
Creditanstalt-Bankverein	Credito Italiano (Underwriters) S.A.	Daiwa Europe N.V.	Richard Duns & Co. Bankiers	Deltec Trading Company
Den Danske Bank	Den norske Creditbank	Deutsche Girozentrale	Deutsche Kommunalbank	Dewaa & Associés International S.A.
Dillon, Read Overseas Corporation	Domination Securities	Dresdner Bank	Drexel Burnham Lambert	European Banking Company
Finter Bank	First Chicago	Robert Fleming & Co.	Antony Gibbs Holdings	Girozentrale und Bank der Österreichischen Sparkassen
Gütbanken	Greenfields Incorporated	Groupement des Banquiers Privés Genevois	Hambros Bank	Hessische Landesbank
Hill Samuel & Co.	E. F. Hutton International Inc.	IBJ International	Istituto Bancario San Paolo di Torino	Kansallis-Osake-Pankki
Kidder, Peabody International	Kleinwort, Benson	Kreditbank N.V.	Kuhn Loeb Lehman Brothers International Inc.	Lazard Frères & Co.,
Lazard Frères et Cie	Lazard Frères & Co.	Lloyds Bank International	London & Continental Bankers	LTCC International
McLeod Young Weir International	Merck, Finck & Co.	Merrill Lynch International & Co.	Samuel Montagu & Co.	Morgan Grenfell & Co.
Morgan Guaranty Ltd.	Morgan Stanley International	Nederlandse Credietbank N.V.	Nesbitt, Thompson	The Nikko Securities Co., (Europe) Ltd.
Nomura Europe N.V.	Norddeutsche Landesbank	Sal. Oppenheim jr. & Cie	Orion Bank	Österreichische Länderbank
Peterbroeck, van Campenhout Kempen S.A.	Girozentrale	Pierson, Hekking & Pierson N.V.	PKBanken Investments	Postipankki
Privatbanken	N. M. Rothschild & Sons	Salomon Brothers International	Scandinavian Bank	J. Henry Schroder Wagg & Co.
Shearson Loeb Rhoades International	Singer & Friedlander	Skandinaviska Enskilda Banken		N. V. Slavenburg's Bank
Smith Barney, Harris Upham & Co.	Société Générale	Société Générale de Banque S.A.		Société Seguinaine de Banque
Sparbankernas Bank	Strauss, Turnbull & Co.	Sumitomo Finance International		Svenska Handelsbanken
Trade Development Bank Overseas Inc.		Union Bank of Finland		Union Bank of Switzerland (Securities)
Verband Schweizerischer Kantonalbanken	Vereins- und Westbank	J. Vontobel & Co.	S. G. Warburg & Co. Ltd.	Wardley
Westdeutsche Landesbank	Williams, Glyn & Co.	Dean Witter Reynolds International	Wood Gundy	Yamaichi International (Europe)

May 21, 1980



## NOTICE OF REDEMPTION

To the Holders of

## Occidental Overseas Limited

10% Guaranteed Notes due 1981

NOTICE IS HEREBY GIVEN that in accordance with the provisions of the Indenture dated as of July 1, 1975 of Occidental Overseas Limited and Occidental Petroleum Corporation to Marine Midland Bank, N.A. (formerly Marine Midland Bank New York), as Trustee, \$1,337,000 aggregate principal amount of Notes will be redeemed on July 1, 1980 (herein called the "Redemption Date") at 100% of the principal amount thereof without premium pursuant to the Sinking Fund provisions of the Indenture. As provided in the Indenture, the Notes selected for redemption by the Trustee bear the following distinctive numbers:

## COUPON NOTES OF \$1,000 PRINCIPAL AMOUNT OUTSTANDING

1001	2001	3001	4001	5001	6001	7001	8001	9001	10001	11001	12001	13001	14001	15001	16001	17001	18001	19001	20001	21001	22001	23001	24001	25001	26001	27001	28001	29001	30001	31001	32001	33001	34001	35001	36001	37001	38001	39001	40001	41001	42001	43001	44001	45001	46001	47001	48001	49001	50001	51001	52001	53001	54001	55001	56001	57001	58001	59001	60001	61001	62001	63001	64001	65001	66001	67001	68001	69001	70001	71001	72001	73001	74001	75001	76001	77001	78001	79001	80001	81001	82001	83001	84001	85001	86001	87001	88001	89001	90001	91001	92001	93001	94001	95001	96001	97001	98001	99001	100001	101001	102001	103001	104001	105001	106001	107001	108001	109001	110001	111001	112001	113001	114001	115001	116001	117001	118001	119001	120001	121001	122001	123001	124001	125001	126001	127001	128001	129001	130001	131001	132001	133001	134001	135001	136001	137001	138001	139001	140001	141001	142001	143001	144001	145001	146001	147001	148001	149001	150001	151001	152001	153001	154001	155001	156001	157001	158001	159001	160001	161001	162001	163001	164001	165001	166001	167001	168001	169001	170001	171001	172001	173001	174001	175001	176001	177001	178001	179001	180001	181001	182001	183001	184001	185001	186001	187001	188001	189001	190001	191001	192001	193001	194001	195001	196001	197001	198001	199001	200001	201001	202001	203001	204001	205001	206001	207001	208001	209001	210001	211001	212001	213001	214001	215001	216001	217001	218001	219001	220001	221001	222001	223001	224001	225001	226001	227001	228001	229001	230001	231001	232001	233001	234001	235001	236001	237001	238001	239001	240001	241001	242001	243001	244001	245001	246001	247001	248001	249001	250001	251001	252001	253001	254001	255001	256001	257001	258001	259001	260001	261001	262001	263001	264001	265001	266001	267001	268001	269001	270001	271001	272001	273001	274001	275001	276001	277001	278001	279001	280001	281001	282001	283001	284001	285001	286001	287001	288001	289001	290001	291001	292001	293001	294001	295001	296001	297001	298001	299001	300001	301001	302001	303001	304001	305001	306001	307001	308001	309001	310001	311001	312001	313001	314001	315001	316001	317001	318001	319001	320001	321001	322001	323001	324001	325001	326001	327001	328001	329001	330001	331001	332001	333001	334001	335001	336001	337001	338001	339001	340001	341001	342001	343001	344001	345001	346001	347001	348001	349001	350001	351001	352001	353001	354001	355001	356001	357001	358001	359001	360001	361001	362001	363001	364001	365001	366001	367001	368001	369001	370001	371001	372001	373001	374001	375001	376001	377001	378001	379001	380001	381001	382001	383001	384001	385001	386001	387001	388001	389001	390001	391001	392001	393001	394001	395001	396001	397001	398001	399001	400001	401001	402001	403001	404001	405001	406001	407001	408001	409001	410001	411001	412001	413001	414001	415001	416001	417001	418001	419001	420001	421001	422001	423001	424001	425001	426001	427001	428001	429001	430001	431001	432001	433001	434001	435001	436001	437001	438001	439001	440001	441001	442001	443001	444001	445001	446001	447001	448001	449001	450001	451001	452001	453001	454001	455001	456001	457001	458001	459001	460001	461001	462001	463001	464001	465001	466001	467001	468001	469001	470001	471001	472001	473001	474001	475001	476001	477001	478001	479001	480001	481001	482001	483001	484001	485001	486001	487001	488001	489001	490001	491001	492001	493001	494001	495001	496001	497001	498001	499001	500001	501001	502001	503001	504001	505001	506001	507001	508001	509001	510001	511001	512001	513001	514001	515001	516001	517001	518001	519001	520001	521001	522001	523001	524001	525001	526001	527001	528001	529001	530001	531001	532001	533001	534001	535001	536001	537001	538001	539001	540001	541001	542001	543001	544001	545001	546001	547001	548001	549001	550001	551001	552001	553001	554001	555001	556001	557001	558001	559001	560001	561001	562001	563001	564001	565001	566001	567001	568001	569001	570001	571001	572001	573001	574001	575001	576001	577001	578001	579001	580001	581001	582001	583001	584001	585001	586001	587001	588001	589001	590001	591001	592001	593001	594001	595001	596001	597001	598001	599001	600001	601001	602001	603001	604001	605001	606001	607001	608001	609001	610001	611001	612001	613001	614001	615001	616001	617001	618001	619001	620001	621001	622001	623001	624001	625001	626001	627001	628001	629001	630001	631001	632001	633001	634001	635001	636001	637001	638001	639001	640001	641001	642001	643001	644001	645001	646001	647001	648001	649001	650001	651001	652001	653001	654001	655001	656001	657001	658001	659001	660001	661001	662001	663001	664001	665001	666001	667001	668001	669001	670001	671001	672001	673001	674001	675001	676001	677001	678001	679001	680001	681001	682001	683001	684001	685001	686001	687001	688001	689001	690001	691001	692001	693001	694001	695001	696001	697001	698001	699001	700001	701001	702001	703001	704001	705001	706001	707001	708001	709001	710001	711001	712001	713001	714001	715001	716001	717001	718001	719001	720001	721001	722001	723001	724001	725001	726001	727001	728001	729001	730001	731001	732001	733001	734001	735001	736001	737001	738001	739001	740001	741001	742001	743001	744001	745001	746001	747001	748001	749001	750001	751001	752001	753001	754001	755001	756001	757001	758001	759001	760001	761001	762001	763001	764001	765001	766001	767001	768001	769001	770001	771001	772001	773001	774001	775001	776001	777001	778001	779001	780001	781001	782001	783001	784001	785001	786001	787001	788001	789001	790001	791001	792001	793001	794001	795001	796001	797001	798001	799001	800001	801001	802001	803001	804001	805001	806001	807001	808001	809001	810001	811001	812001	813001	814001	815001	816001	817001	818001	819001	820001	821001	822001	823001	824001	825001	826001	827001	828001	829001	830001	831001	832001	833001	834001	835001	836001	837001	838001	839001	840001	841001	842001	843001	844001	845001	846001	847001	848001	849001	850001	851001	852001	853001	854001	855001	856001	857001	858001	859001	860001	861001	862001	863001	864001	865001	866001	867001	868001	869001	870001	871001	872001	873001	874001	875001	876001	877001	878001	879001	880001	881001	882001	883001	884001	885001	886001	887001	888001	889001	890001	891001	892001	893001	894001	895001	896001	897001	898001	899001	900001	901001	902001	903001	904001	905001	906001	907001	908001	909001	910001	911001	912001	913001	914001	915001	916001	917001	918001	919001	920001	921001	922001	923001	924001	925001	926001	927001	928001	929001	930001	931001	932001	933001	934001	935001	936001	937001	938001	939001	940001	941001	942001	943001	944001	945001	946001	947001	948001	949001	950001	951001	952001	953001	954001	955001	956001	957001	958001	959001	960001	961001	962001	963001	964001	965001	966001	967001	968001	969001	970001	971001	972001	973001	974001	975001	976001	977001	978001	979001	980001	981001	982001	983001	984001	985001	986001	987001	988001	989001	990001	991001	992001	993001	994001	995001	996001	997001	998001	999001	1000001	1001001	1002001	1003001	1004001	1005001	1006001	1007001	1008001	1009001	1010001	1011001	1012001	1013001	1014001	1015001	1016001	1017001	1018001	1019001	1020001	1021001	1022001	1023001	1024001	1025001	1026001	1027001	1028001	1029001	1030001	1031001	1032001	1033001	1034001	1035001	1036001	1037001	1038001	1039001	1040001	1041001	1042001	1043001	1044001	1045001	1046001	1047001	1048001	1049001	1050001	1051001	1052001	1053001	1054001	1055001	1056001	1057001	1058001	1059001	1060001	1061001	1062001	1063001	1064001	1065001	1066001	1067001	1068001	1069001	1070001	1071001	1072001	1073001	1074001	1075001	1076001	1077001	1078001	1079001	1080001	1081001	1082001	1083001	1084001	1085001	1086001	1087001	1088001	1089001	1090001	1091001	1092001	1093001	1094001	1095001	1096001	1097001	1098001	1099001	1100001	1101001	111
------	------	------	------	------	------	------	------	------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	-----



## KOREAN AIR LINES

## Loan goes ahead amid the fighting

BY CHARLES SMITH IN SEOUL

WITH STUDENTS and soldiers fighting it out in the streets of the country's fourth largest city, the "Land of Morning Calm" might not seem to be the ideal description for South Korea these days—nor, perhaps, the most suitable title for the inflight magazine of the national flag carrier Korean Air Lines.

KAL, however, is not the sort of company to allow itself to be deterred by political problems in its home base. In the very days when the riots were at their height the company's chairman, Mr. Cho Choon-Hoon, signed a \$500m syndicated loan agreement that will finance the purchase or lease of seven new aircraft this year.

The loan comes at a time when this second biggest of Asia's airlines (only Japan Air Lines is bigger according to KAL executives) faces a severe profit squeeze; indeed some of its terms had to be renegotiated to allow for a worse than expected business performance in 1979.

But KAL executives who built up the airline's turnover from \$5m in 1968 to \$720m last year appear undeterred. Mr. C. K. Cho, executive vice president

and younger brother of KAL's supreme boss, Mr. Cho Choon-Hoon, says sales will certainly hit \$900m in 1980. If the figures come out as predicted KAL will be one of the few Korean companies to maintain into the 80s the remarkable impetus that carried it from almost nowhere a decade or so ago.

As Mr. Cho tells it, Korean Air Lines was an embarrassing white elephant in the late '60s

KAL is not the sort of company to be deterred by political problems in its home base . . .

when the Hanjin transport group (of which the Cho brothers are founder-managers) was asked to acquire the airline from the Government. KAL was losing a million dollars a year on its turnover of \$5m in those days and "we were the second smallest airline in Asia, next only to Air Vietnam."

Hanjin took over KAL because a Presidential request to do so was worded in terms which admitted no refusal, and

because it felt it could afford it. From mid-1968 until the end of the decade Hanjin was making large profits in South Vietnam as a transport contractor to the U.S. military—so large that in at least one year it ranked as the nation's top earner of foreign exchange.

KAL had a fleet of seven propeller driven aircraft and one jet (a DC-9) at the time of the Hanjin takeover and was flying mainly domestic routes (where fares were fixed at unprofitable levels by the Government, as they still are). The year after the takeover, however, was Expo year in Japan, and KAL was quick to get its share of the booming tourist traffic that resulted. Frequencies to the major Japanese cities were stepped up sharply in the early 1970s. Then, a few years later, KAL took the bold step of inaugurating direct services (services that did not call at Tokyo) between Seoul and the U.S.

The beginning of direct flights to the U.S. meant that KAL was no longer expanding "by courtesy of Japan Air Lines"—in that it did not have to seek Japanese approval every time it planned a new transpacific (or for that matter south east Asian or even European) route. It also meant the beginning of a gamble, which could have ended in disaster.

Other international airlines were not initially keen to fly direct services to Seoul, so KAL had no quick pro quo with which to bargain for landing rights. In addition, aircraft flying out of Seoul on, for example the polar routes

to the U.S. and Europe, had to be more lightly loaded than similar aircraft flying from Tokyo, because of more difficult weather conditions.

KAL got its American landing rights, in part by adopting a policy of wholeheartedly supporting American aviation policies (including low fares)—unlike Japan which has continued to fight the Americans over such issues. It won landing rights in Paris in 1975 by becoming the first Asian airline to buy A300 European airbuses (eight aircraft were purchased for \$150m). Air France which was given reciprocal landing rights in Seoul was slow to take them up but will finally be inaugurating a Paris-Seoul service this summer.

KAL might well have failed to pull off some of its more ambitious coups if it had had to

... though the flow of tourists may be reduced, its main headache is the price of oil.

rely on passenger traffic alone, or even if its dependence on passenger traffic had been as heavy as that of most other airlines. The Korean export boom which got under way in the early '70s meant, however, that freight was always the fastest growing portion of KAL's business. Freight today accounts for 30 per cent of turnover and most of the airline's major intercontinental services started by carrying freight only, before passenger aircraft were introduced.

An additional (unpublished) bonus to KAL is its involvement in defence. The airline assembles Hughes helicopters and recently gained the contract for overhauling U.S. phantom fighters based in Korea—a contract switched from Taiwan after the U.S. normalised its relations with the People's Republic of China in December 1979.

KAL's main headache in mid-1980 is not the political situation in South Korea, although that may certainly reduce the flow of tourists in the next few months, but the price of oil. "We are paying \$1.23 per gallon for aviation fuel today, compared with 46 cents a year ago, and fuel accounts for 30 per cent of our operating costs, compared with 6 per cent 7 per cent in the old days," says Mr. C. K. Cho.

KAL could cover the oil bill by stretching out the period on which it depreciates its aircraft but is reluctant to do this. Alternatively it could raise fares—but this too is an unwelcome prospect.

What KAL has so far done is to hold a five-day, four-night seminar during which the airline's middle and junior managers "ate, together, sang together" and raked their brains to think of ways of saving money. Economies will range from new ways of saving fuel to writing on both sides of the paper, says Mr. Cho. The aim is to keep net profits after tax at 1 per cent of turnover, but this modest target could be the toughest that KAL has yet set itself.

## Decline at Bank of Tokyo

BY OUR TOKYO CORRESPONDENT

THE BANK OF TOKYO, Japan's foreign exchange specialist, reported yesterday that its net profit for the half-year ended March 31 declined 17.4 per cent from the previous half-year ended September 30, 1979, to ¥2.2bn (\$32.88m) mostly as a result of losses on its large holding of bonds, mainly Government

bonds. The bank's foreign currency denominated business, 66 per cent of total activities, also fell 8.5 per cent, because of the higher costs in international capital markets during the six

months. On the foreign currency business side, it is believed that the other major Japanese City banks, which will announce results later this week, suffered even greater declines.

The Bank of Japan may buy a substantial amount of National bonds from local financial institutions, mainly banks, next month to ease an anticipated fund shortage resulting from the summer bonus season for workers, bank officials said.

This would be the central bank's first such buyback operation since last December, Reuter reports from Tokyo.

## Japan electronics groups ahead

BY YOKO SHIBATA IN TOKYO

A STRONG improvement in earnings led by semiconductor sales was reported by two major telecommunication and electronics makers, Nippon Electric Company (NEC) and Oki Electric Industry, and a consumer electronics maker Sharp, for the fiscal year to March 1980.

Thanks to brisk demand for semiconductors from Japan's consumer and industrial electronics industries, the three enjoyed record sales and earnings. In particular, sales of the semiconductor division of each company showed a marked gain; semiconductor sales for NEC rose by 39.5 per cent contributing 22.7 per cent of the total sales of ¥719.77bn; up 46 per cent for Oki Electric to

account for 11.6 per cent of a ¥165.50bn total turnover; and up 19 per cent for Sharp to account for 33.7 per cent of ¥395.24bn in sales.

In addition, strong sales of electronic computers (for NEC), and electronics office equipment (for Oki) made up for dull sales of telecommunication equipment to NTT (Nippon Telegraph and Telephone).

Mass production of semiconductors, supported by strong demand, lowered production cost significantly, which accounted for spectacular gains in operating profits for NEC and Oki, up 104 per cent and up 79.1 per cent respectively.

Improved export profitability resulting from the yen's depreciation worked for earnings gains;

NEC's exports, especially telecommunication equipment, rose by 24 per cent, accounting for 30.8 per cent of turnover. Exports for Oki Electric rose 22 per cent, accounting for 12 per cent of total turnover. Sharp's export went up by 10.8 per cent, to account for 48 per cent.

For the fiscal year ending March 1981, the three makers are predicting annual sales growth of 30-40 per cent in semiconductors, thanks to active capital investment. Because of strong potential demand, the three makers plan further heavy capital outlays for capacity expansion and new mass production lines of upgraded products. NEC envisages semiconductor-related outlays of ¥30bn; a ¥12bn outlay is planned by Oki Electric and ¥11bn for Sharp.

	Sales		Operating profits		Net profits		
	Ybn	change %	Ybn	change %	Ybn	change %	
NEC	1979-80	719.8	+17.0	23.5	+104.0	13.1	+72.0
Forecast	1980-81	815.0	+27.9	35.0	+49.0	18.0	+37.0
Oki	1979-80	165.5	+21.1	9.9	+79.1	3.1	↑
Forecast	1980-81	184.0	+11.0	7.5	+24.0	3.4	+11.0
Sharp	1979-80	395.2	+14.4	23.6	+42.6	12.5	+44.8
Forecast	1980-81	445.0	+12.0	28.5	+21.0	15.0	+20.0

† Loss in 1978-79 of ¥1.4bn

↑ Loss in 1978-79 of ¥1.4bn

## Competition for watch sales hits K. Hattori

By Richard C. Hanson in Tokyo

K. HATTORI AND CO., the leader of the Seiko watch group, reported a 20.5 per cent drop in net profit to ¥3.9bn (\$17.8m) for the March year as a result of stiff competition amongst quartz watch makers which has driven prices down sharply.

Other Japanese watch makers showed mixed results. Hattori's sales rose 6.2 per cent to ¥297.7bn (\$1.36bn) last year and are expected to gain another 11 per cent this year. The value of sales, however, has not kept pace with the increase in sales volume. Watch sales, for example, were up 16.9 per cent in volume but only 3 per cent in value (79 per cent of all sales). Price competition has extended beyond Japan into the rest of the world market, particularly the U.S., which held export sales flat at ¥11.8bn (40 per cent of total sales), despite volume increases.

Price competition shows little sign of abating this year which should keep Hattori's profit at just about the same level as last.

Other parts of the Seiko group, which are not included in the Hattori statement, may be faring rather better than the parent (which is essentially a sales arm for three semi-independent production companies in Japan), particularly overseas. Seiko Hong Kong, a wholly owned subsidiary, had a 59.4 per cent increase in its sales, which include direct shipments to other overseas markets and to Hattori in Japan.

Hong Kong now produces about 5m units of watches annually, about 800,000 of which are re-exported to Japan for sale by Hattori. Hattori's watch sales at home and abroad (including the Hong Kong supply) totalled about 24.3m units. Hattori exports parts to Hong Kong for assembly.

Citizen Watch Company, the second largest in Japan, reported earlier this week a 25 per cent rise in sales to ¥103.5bn and a 16 per cent improvement in net profit to ¥5bn. Rhythm Watch, a member of the Citizen group, suffered a 34.7 per cent decline in net profit to ¥989m, while sales rose 5.5 per cent to ¥36.074bn.

Orient, the third largest watch company, had a 1.3 per cent rise in net profit while sales grew 10.6 per cent to ¥46.8bn.

## Preference issue by News Ltd

ADELAIDE — News Ltd, the international publishing and television group headed by Mr. Rupert Murdoch, said that it is planning to issue 150,000 redeemable A\$2 "A" preference shares at A\$100 each. The shares will be created by the consolidation of 600,000 unissued ordinary 50 cent shares.

An extraordinary general meeting of shareholders has been called for June 17 to approve amendments to the company's articles necessary to allow the issue to go ahead.

News said that the amendments would provide for the company's capital of A\$20m to be divided into 50,000 A\$2 cumulative preference shares, 500,000 A\$2 6 per cent cumulative redeemable preference shares, 150,000 A\$2 "A" redeemable preference shares and 37,20m 50 cent ordinary shares. Reuter

## LAFARGE

Société Anonyme with a capital Fr. Frs. 589,238,900  
Registered Office: 28 rue Émile Mérieux, Paris 16e

## Notice of Meeting

Notice is hereby given that the Annual General Meeting of Lafarge will be held at the Centre Français du Commerce Extérieur, Salle Hubert Roussellier, 10 avenue d'Iéna, Paris 16e at 5.00 p.m. on Wednesday, 18th June 1980 for the purpose of transacting the following business:

- To receive the report of the Board of Directors on the operations of the Company for the financial year of 1979 and to approve the operations, the accounts and the balance sheet for the financial year of 1979 together with the revaluation of fixed assets; to approve the appropriation of the profits and to declare a dividend.
- To approve the agreements contemplated by Article 101 of Statute 66-537 of 24 July 1966.
- To re-elect Mr. Pierre Celler and Mr. Jean François and to elect Mr. Evence-Arnold Coppée and Mr. Roger Martin as Directors of the Company.
- To approve an increase in Directors' attendance fees from 1980.
- Other business.

Notice is hereby given that an Extraordinary General Meeting of the Company will be held on the same day following the Annual General Meeting for the purpose of transacting the following business:

- To approve the offers to the respective shareholders of Société Carbonisation Entreprise et Commerce, of Compagnie des Sablières de la Seine and of Société des Pâtisseries de France and to increase the capital and effect a consequential alteration to Statute 6 of the Statutes of the Company by up to a maximum of Fr. Frs. 501,231, which shall be issued as consideration therefor, up to a maximum of Fr. Frs. 570,340,031.
- To consider other matters arising in connection with the offers.
- To amend the objects of the Company (Statute 2); to increase the number of shares that Directors of the Company must hold (Statute 14); to alter the retiring age of Directors (Statute 14 and 32); to delete Chapter IV and Statute 21 relating to the Censors.
- Other business regarding the implementation of the decisions of the General Meeting.

All Shareholders, irrespective of the number of shares held, are entitled to attend the Annual General Meeting or to be represented by a joint holder or another Shareholder provided that:

- In the case of holders of Registered Shares, they were entered on the Register of Members at least five days before the date of the meeting.
- In the case of holders of Bearer Shares, at least five days before the date of the meeting they have either deposited their shares at the Registered Office of the Company, 28 rue Émile Mérieux, Paris 16e, or produced evidence that their shares have been deposited with certain banks or credit institutions.

The documents to be produced to the Annual General Meeting will be available for inspection by Shareholders during the period prescribed by French law at the Registered Office of the Company.

Shareholders wishing to attend the Annual General Meeting will receive upon request an Admission Form. Upon request, Forms of Proxy are available to Shareholders who are unable to attend the Annual General Meeting in person.

The Board of Directors.

Copies of the full text of the resolutions to be proposed at the Annual General Meeting and Extraordinary General Meeting may be obtained from the offices of Kleinwort, Benson Limited, 20 Fenchurch Street, London, EC3P 3DB. A list of the names and addresses of the banks and credit institutions with which Bearer Shares may be deposited in France prior to the meeting, Admission Forms and Forms of Proxy may also be obtained in the United Kingdom at the above offices of Kleinwort, Benson Limited.

U.S. \$25,000,000



## Bergen Bank A/S

Floating Rate Capital Notes Due 1989

In accordance with the provisions of the Notes, notice is hereby given that for the three month Interest Period from 29th May, 1980 to 29th August, 1980, the Notes will carry an Interest Rate of 10% per annum. The relevant Interest Payment Date will be 29th August, 1980 and the Coupon Amount per U.S.\$1,000 will be U.S.\$25.56.

Credit Suisse First Boston Limited  
Agent Bank

U.S. \$100,000,000



## Manufacturers Hanover Overseas Capital Corporation

Guaranteed Floating Rate Notes due 1994

In accordance with the provisions of the Notes, notice is hereby given that for the Interest Period from 29th May, 1980 to 29th August, 1980, the Notes will carry an Interest Rate of 9 1/4% per annum. The relevant Interest Payment Date will be 29th August, 1980 and the Coupon Amount per U.S.\$1,000 will be U.S.\$25.24.

Credit Suisse First Boston Limited  
Agent Bank

## Scandinavian Finance B.V.

(Incorporated in the Netherlands with limited liability)

Issue of £20,000,000

Sterling Floating Rate Notes 1990

Guaranteed on a subordinated basis by

## Scandinavian Bank Limited

(Incorporated in Great Britain with limited liability)

The issue Price of the Notes is 100 per cent. of their principal amount.

The following have agreed to subscribe or procure subscriptions for the Notes:

Morgan Grenfell & Co. Ltd. S. G. Warburg & Co. Ltd. Morgan Stanley International  
Bergens Bank A/S Skandinaviska Enskilda Banken  
Den Danske Provinsbank A/S Den Danske Bank af 1871 Aktieselskab  
Union Bank of Finland Ltd.

The £20,000,000 of £1,000 each constituting the above issue have been allotted to the Official List by the Council of The Stock Exchange, subject only to the issue of the Notes.  
Particulars of the Notes are available in the statistical services of Global Statistical Services Limited and may be obtained during usual business hours up to and including 2nd June, 1980 from the Brokers to the issue.

Cassidy & Co.,  
12 Throgmorton Avenue,  
London, EC2N 2JL.

## Advance for Nippon Yusen

TOKYO — Nippon Yusen K.K., Japan's leading shipping company, has reported parent company net profit for the year ended March 31 of ¥3.89bn (\$17.8m), up 17.5 per cent from last year's ¥3.31bn. Revenues gained 26.8 per cent to ¥454.22bn (\$2.1bn). Revenues from regular line operations went up to ¥180.12bn from ¥149.07bn. Those from irregular line services were ¥145.09bn compared with ¥95.82bn. Earnings from other operations totalled about ¥72bn, up from ¥63bn. Net income per share was ¥4.91 compared with ¥4.63. The year-end dividend was unchanged at ¥4. The company expects sales and profit to level off in the current year mainly because of the Yen's rise causing a slowdown in the nation's exports. Net profit is forecast at about ¥3.9bn on sales of about ¥430bn. AP-DJ

## THE PHILIPPINE INVESTMENT COMPANY S.A.

Net Asset Value as of April 30, 1980 U.S.\$12.46  
Listed Luxembourg Stock Exchange  
Banque Générale du Luxembourg  
(Investment Bankers)  
Manila Pacific Securities, SA

## The Mitsubishi Bank, Limited (London Branch)

US \$30,000,000

Negotiable Floating Rate U.S. Dollar Certificates of Deposit  
Maturity date November 28, 1980

In accordance with the provisions of the Certificates of Deposit notice is hereby given that for the six month period from May 29, 1980 to November 28, 1980 the Certificates will carry an Interest Rate of 10 1/4% per annum.

Agent Bank  
Orion Bank Limited

## YONTOBEL EUROBOND INDICES

14.576=100%							
PRICE INDEX		20.5.80	27.5.80	AVERAGE YIELD		20.5.80	27.5.80
DM Bonds		94.96	95.73	DM Bonds		8.527	8.505
HFL Bonds & Notes		92.65	92.82	HFL Bonds & Notes		9.898	9.881
U.S. \$ Str. Bonds		88.03	88.51	U.S. \$ Str. Bonds		11.327	11.231

Tokyo Pacific Holdings N.V.  
Tokyo Pacific Holdings (Seaboard) N.V.

The Quarterly Report as of 31st March 1980 has been published and may be obtained from:

Pierson, Hidding & Pierson N.V.  
Haringracht 214, Amsterdam  
Sal. Oppenheim Jr. & Cie.  
Unter Sachsenhausen 4, 5 Köln  
National Westminster Bank Limited  
Stock Office Services  
5th Floor, Drapers Gardens  
12 Throgmorton Avenue,  
London EC2P 2ES  
Trinkaus & Burkhart  
Görsche 21-23  
D4000 Düsseldorf  
Banque de Paris et des Pays-Bas  
3 rue d'Arin, Paris 2  
Boulevard Emile Jacquemin 162,  
Bruxelles  
Banque de Paris et des Pays-Bas  
pour le Grand-Duché de Luxembourg  
10a Boulevard Royal, Luxembourg  
Merrill Lynch International & Co.  
all European offices  
International Pacific Corporation  
United  
Royal Exchange Building  
58 Pitt Street, Sydney N.S.W. 2000



APPOINTMENTS

# Board changes at Agfa-Gevaert

Three managerial changes are announced by AGFA-GEVAERT. Mr. G. Abrams, managing director of Agfa-Gevaert (UK) since 1969, moves to Leverkusen, West Germany, to become marketing director of the photo division within the parent company. Mr. R. P. Dickinson, who for three years has headed the reprographic division of Agfa-Gevaert (UK), steps up to managing director of the British company from June 1. Mr. J. S. Stahler, head of finance and administration, now also becomes deputy managing director of the British company.

Professor E. Howel Francis, head of the department of Earth Sciences at Leeds University, has been elected president of the GEOLOGICAL SOCIETY OF LONDON.

The CLOTHING MANUFACTURERS' FEDERATION has elected the following officers: chairman, Mr. Frank Lacombe (AquaScutum); senior vice-chairman, Mr. Thomas Harmer (F. W. Harmer and Co.); and treasurer, Mr. John Williams (Ben Williams and Co.).

## COMPANY NOTICES

### THE RIO TINTO-ZINC CORPORATION LIMITED

NOTICE

To holders of Warrants to Bear

ORDINARY SHARES OF 25P EACH

NOTICE IS HEREBY GIVEN that a Final dividend of 10.50p per Share will be paid on the 1st July 1980 in respect of the year ended 31st December 1979.

Payment of this dividend will be made after presentation of Coupon No. 28 at any of the undermentioned offices of payment.

OFFICES OF PAYMENT

The Rio Tinto-Zinc Corporation Limited, (Incorporated in England), 65, Leadenhall Street, London EC3A 3LN.

Bank of Montreal, 21, Rue de la Banque, 1000 Brussels, Belgium.

Bank of Paribas, 14, Rue de la Banque, 1000 Brussels, Belgium.

Bank of Commerce, 14, Rue de la Banque, 1000 Brussels, Belgium.

Bank of International, 14, Rue de la Banque, 1000 Brussels, Belgium.

Bank of Switzerland, 14, Rue de la Banque, 1000 Brussels, Belgium.

Bank of Zurich, 14, Rue de la Banque, 1000 Brussels, Belgium.

### EVERARDS BREWERY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN that, in preparation for the payment of the half-yearly dividend of 5p per Share, the transfer books of the Company will be closed on the 15th June 1980.

By Order of the Board, J. G. ROBERTSON, Secretary.

### I.U. OYREAS FINANCEN V.

US\$55,000,000 8 1/4% GUARANTEED BONDS DUE 1987

Hambros Bank Limited advise that the redemption date of the above bonds is 1st July 1980. The bonds have been selected by HAMBROS BANK LIMITED.

29th May, 1980.

### EVERARDS BREWERY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN that, in preparation for the payment of the half-yearly dividend of 5p per Share, the transfer books of the Company will be closed on the 15th June 1980.

By Order of the Board, J. G. ROBERTSON, Secretary.

## The war that never ends

We British are a peaceful people. When a war is over we like to consign it to the history books - and forget it.

But for some the war lives on. The disabled from both World Wars and from lesser campaigns, now all too easily forgotten; the widows, the orphans and the children - for them their war lives on, every day and all day.

In many cases, of course, there is help from a pension. But there is a limit to what any Government Department can do.

This is where Army Benevolent steps in. With understanding. With a sense of urgency... and with practical, financial help.

To us it is a privilege to help these brave men - and women, too. Please will you help us to do more? We must not let our soldiers down.

## The Army Benevolent Fund

for soldiers, ex-soldiers and their families in distress

Dept. FT, Duke of York's HQ, London SW3 4SP

BASE LENDING RATES	
A.B.N. Bank	17 1/2%
Allied Irish Bank	17 1/2%
American Express Bk.	17 1/2%
Amro Bank	17 1/2%
Henry Ansbacher	17 1/2%
A.P. Bank Ltd.	17 1/2%
Arbutnot Latham	17 1/2%
Associates Cap. Corp.	17 1/2%
Banco de Bilbao	17 1/2%
Bank of Credit & Comm.	17 1/2%
Bank of Cyprus	17 1/2%
Bank of N.S.W.	17 1/2%
Bank of Paribas	17 1/2%
Bank of Rome	17 1/2%
Barclays Bank	17 1/2%
Bremer Holdings Ltd.	17 1/2%
Brit. Bank of Mid. East	17 1/2%
Brown Shipley	17 1/2%
Canada Perm. Trust	17 1/2%
Cayzer Ltd.	17 1/2%
Cedar Holdings	17 1/2%
Charterhouse Japhet	17 1/2%
Choulatons	17 1/2%
C. E. Coates	17 1/2%
Consolidated Credits	17 1/2%
Co-operative Bank	17 1/2%
Corinthian Secs.	17 1/2%
The Cyprus Popular Bk.	17 1/2%
Dunelm Lawrie	17 1/2%
Eagle Trust	17 1/2%
E. T. Trust Limited	17 1/2%
First Nat. Fin. Corp.	17 1/2%
First Nat. Sec. Ltd.	17 1/2%
Robert Fraser	17 1/2%
Antony Gibbs	17 1/2%
Greyhound Guaranty	17 1/2%
Grindlays Bank	17 1/2%
Guinness Mahon	17 1/2%

Mr. Gerard G. Elms, has been appointed managing director of MASSON SCOTT THIRISSELL ENGINEERING, a part of Molins.

Mr. P. N. Buckley has been appointed director of PROVIDENT MUTUAL LIFE ASSURANCE ASSOCIATION.

Having completed his term of office as chairman of the BRICK DEVELOPMENT ASSOCIATION, Mr. David Jones is succeeded by Mr. Douglas Hartley.

Mr. M. J. Bentley has resigned as director of LAZARD BROTHERS from May 31.

Mr. Patrick Larragy, company secretary of IRISH INTERCONTINENTAL BANK, has been appointed to the Board. Irish Intercontinental Bank is a subsidiary of the Kredietbank Group of Belgium.

Mr. R. W. Turner has been appointed to the Board of D. S. TURNER AND CO., as director of quality.

Mr. Graham Davies, manufacturing manager, has been appointed production director from June of SIMONWARMAN, Toden following the retirement of Mr. S. J. Watson.

## LEGAL NOTICES

### THE COMPANIES ACTS 1948 TO 1967

MISS ALDIS DOLLS LIMITED

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company are required to send their names and addresses to the Liquidator, Mr. Philip Monck, 3rd Floor, 10, Abchurch Lane, London EC4N 3DF, by the 15th day of May 1980.

### IN THE MATTER OF FLEET STREET FLYERS LIMITED

AND IN THE MATTER OF THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company are required to send their names and addresses to the Liquidator, Mr. Philip Monck, 3rd Floor, 10, Abchurch Lane, London EC4N 3DF, by the 15th day of May 1980.

### THE COMPANIES ACTS 1948 TO 1967

MYERS & PARSONS LIMITED

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company are required to send their names and addresses to the Liquidator, Mr. Philip Monck, 3rd Floor, 10, Abchurch Lane, London EC4N 3DF, by the 15th day of May 1980.

### THE COMPANIES ACTS 1948 TO 1967

DAVIDSON TRUST COMPANY LIMITED

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company are required to send their names and addresses to the Liquidator, Mr. Philip Monck, 3rd Floor, 10, Abchurch Lane, London EC4N 3DF, by the 15th day of May 1980.

### PERSONAL

HELP THE SPREAD of education in the field of nature conservation and help to protect Britain's natural heritage. Help to save land for bird reserves, to help to protect the environment, to help to protect the future of our children. Help to protect the future of our children. Help to protect the future of our children.

### PUBLIC NOTICES

THE COLNE VALLEY WATER COMPANY

NOTICE IS HEREBY GIVEN that the transfer books of the Company will be closed on the 15th June 1980.

### EUROPEAN OPTIONS EXCHANGE

Series	Vol.	July	Oct.	Jan.	Stock
ABN C	F.300	4	5	10	F.290
ABN C	F.200	4	5	10	F.290
ABN C	F.200	4	5	10	F.290

### UK MONEY MARKET

Bank of England Minimum Lending Rate 17 (since November 15, 1978)

BASE LENDING RATES	
A.B.N. Bank	17 1/2%
Allied Irish Bank	17 1/2%
American Express Bk.	17 1/2%
Amro Bank	17 1/2%
Henry Ansbacher	17 1/2%
A.P. Bank Ltd.	17 1/2%
Arbutnot Latham	17 1/2%
Associates Cap. Corp.	17 1/2%
Banco de Bilbao	17 1/2%
Bank of Credit & Comm.	17 1/2%
Bank of Cyprus	17 1/2%
Bank of N.S.W.	17 1/2%
Bank of Paribas	17 1/2%
Bank of Rome	17 1/2%
Barclays Bank	17 1/2%
Bremer Holdings Ltd.	17 1/2%
Brit. Bank of Mid. East	17 1/2%
Brown Shipley	17 1/2%
Canada Perm. Trust	17 1/2%
Cayzer Ltd.	17 1/2%
Cedar Holdings	17 1/2%
Charterhouse Japhet	17 1/2%
Choulatons	17 1/2%
C. E. Coates	17 1/2%
Consolidated Credits	17 1/2%
Co-operative Bank	17 1/2%
Corinthian Secs.	17 1/2%
The Cyprus Popular Bk.	17 1/2%
Dunelm Lawrie	17 1/2%
Eagle Trust	17 1/2%
E. T. Trust Limited	17 1/2%
First Nat. Fin. Corp.	17 1/2%
First Nat. Sec. Ltd.	17 1/2%
Robert Fraser	17 1/2%
Antony Gibbs	17 1/2%
Greyhound Guaranty	17 1/2%
Grindlays Bank	17 1/2%
Guinness Mahon	17 1/2%

# CURRENCIES, MONEY and GOLD

## Dollar recovers

The dollar recovered some of the ground it lost earlier this week in currency markets yesterday, helped partly by a slightly firmer trend in Euro-dollar rates. Its recovery came without the central bank support which it had attracted on Tuesday, with end-of-month considerations adding to the general demand. Against the D-mark it rose to DM 1.7750 from DM 1.7650 on Tuesday and to DM 1.7670 against the Swiss franc. The Japanese yen was also weaker, and the dollar closed at ¥223.40 compared with ¥219.20 previously. On Bank of England figures, the dollar's trade weighted index rose from 83.4 to 84.1.

Sterling was slightly weaker overall as foreign demand seen on Tuesday fell away. But sterling retained a firm undertone with interest rates remaining high. The announcement of a \$2 a barrel rise in the price of North Sea oil came too late to affect trading. Against the D-mark it opened at \$2.3650, a record, and ended at \$2.3625, quite quickly, with trading for most of the morning seen between \$2.35 and \$2.3650. At noon the pound stood at \$2.3625, but as demand for the dollar increased so did the dollar dried up towards the close, and sterling recovered to \$2.3685-2.3695, a fall of 1.15c from Tuesday. On Bank of England figures, its trade weighted index fell slightly to 74.6 from 74.7, having stood at 74.8 at noon and in the morning.

D-MARK - Showing renewed strength against the dollar and steady within the European Monetary System, following firmer rates in Frankfurt and lower U.S. interest rates - There

## THE POUND SPOT AND FORWARD

May 28	Day's Spread	Close	One month	% Change
U.S.	2.3625-2.3700	2.3685	1.76-1.80 pm	0.00-0.01
Canada	2.2700-2.2800	2.2750	1.80-1.85 pm	0.00-0.01
Norfolk	4.57-4.61	4.59	2.15-2.20 pm	0.00-0.01
Denmark	66.00-67.20	66.50	100 pm	0.00-0.01
Ireland	12.12-12.17	12.15	2.15-2.20 pm	0.00-0.01
W. Ger.	4.14-4.20	4.18	3.20-3.25 pm	0.00-0.01
Portugal	114.20-115.70	114.50	100 pm	0.00-0.01
Spain	165.00-165.50	165.25	100 pm	0.00-0.01
Italy	1.55-1.58	1.56	2.15-2.20 pm	0.00-0.01
Norway	11.41-11.50	11.45	3.20-3.25 pm	0.00-0.01
France	9.83-9.85	9.84	3.20-3.25 pm	0.00-0.01
Sweden	9.83-9.85	9.84	3.20-3.25 pm	0.00-0.01
Japan	220.50	220.50	2.15-2.20 pm	0.00-0.01
Austria	29.85-29.90	29.87	3.20-3.25 pm	0.00-0.01
Switzerland	3.95-3.97	3.96	3.20-3.25 pm	0.00-0.01

## THE DOLLAR SPOT AND FORWARD

May 28	Day's Spread	Close	One month	% Change
U.K.	2.3625-2.3700	2.3685	1.76-1.80 pm	0.00-0.01
Ireland	2.2700-2.2800	2.2750	1.80-1.85 pm	0.00-0.01
Canada	1.7600-1.7625	1.7612	0.31-0.32c	-0.00-0.01
Norfolk	1.9600-1.9615	1.9605	0.34-0.35c	-0.00-0.01
Denmark	66.00-67.20	66.50	100 pm	0.00-0.01
Ireland	12.12-12.17	12.15	2.15-2.20 pm	0.00-0.01
W. Ger.	1.7600-1.7775	1.7725	3.20-3.25 pm	0.00-0.01
Portugal	114.20-115.70	114.50	100 pm	0.00-0.01
Spain	165.00-165.50	165.25	100 pm	0.00-0.01
Italy	1.55-1.58	1.56	2.15-2.20 pm	0.00-0.01
Norway	11.41-11.50	11.45	3.20-3.25 pm	0.00-0.01
France	9.83-9.85	9.84	3.20-3.25 pm	0.00-0.01
Sweden	9.83-9.85	9.84	3.20-3.25 pm	0.00-0.01
Japan	220.50	220.50	2.15-2.20 pm	0.00-0.01
Austria	29.85-29.90	29.87	3.20-3.25 pm	0.00-0.01
Switzerland	3.95-3.97	3.96	3.20-3.25 pm	0.00-0.01

## CURRENCY RATES

May 27	Bank's Rate	Special Drawing Rights	European Currency Unit
Starting	17	0.556603	0.606817
U.S.	1.5	1.35934	1.45631
Canada	1.5	1.35934	1.45631
Austria	13	1.65828	1.78888
Belgium	6	1.74525	1.87951
D-Mark	7	2.33518	2.52015
France	10	2.45500	2.67484
Germany	10	2.45500	2.67484
Italy	16	2.09679	2.23568
Norway	9	2.45500	2.67484
Spain	16	2.09679	2.23568
Sweden	16	2.09679	2.23568
Switzerland	3	2.16717	2.33597

## OTHER CURRENCIES

May 28	£	\$	Notes
Argentina	25.00	1.00	100.00
Australia	1.50	1.00	100.00
Belgium	1.00	1.00	100.00
Canada	1.00	1.00	100.00
Denmark	1.00	1.00	100.00
France	1.00	1.00	100.00
Germany	1.00	1.00	100.00
Italy	1.00	1.00	100.00
Japan	1.00	1.00	100.00
Norway	1.00	1.00	100.00
Sweden	1.00	1.00	100.00
Switzerland	1.00	1.00	100.00

## EMS EUROPEAN CURRENCY UNIT RATES

May 28	ECU	% change from central rate	% change divergence
Belgium Franc	35.7887	+1.38	+1.53
Danish Krone	7.4603	+1.70	+1.85
German Mark	2.45500	+0.00	0.00
Dutch Guilder	2.3432	+0.08	+1.31
French Franc	6.5595	+0.48	+0.48
Italian Lira	117.75	+2.04	+2.08

## EXCHANGE CROSS RATES

May 28	Pound Sterling	U.S. Dollar	Deutsche Mark	Japanese Yen	French Franc	Swiss Franc	Dutch Guilder	Italian Lira	Canada Dollar	Belgian Franc	Portuguese Escudo
Pound Sterling	1	2.3685	4.185	257.0	9.273	3.368	4.938	1961	2.748	66.55	200.48
U.S. Dollar	0.424	1	1.775	223.4	4.121	1.947	1.949	531.5	1.143	28.50	483.5
Deutsche Mark	0.239	0.554	1	135.9	2.225	0.928	1.028	488.4	0.455	15.00	336.0
Japanese Yen	1.898	4.476	7.941	100.0	18.45	7.737	8.734	374.1	5.203	187.0	1036.0
French Franc	1.029	2.426	4.304	542.0	10	3.966	4.279	201.7	0.290	68.55	145.0
Swiss Franc	0.257	0.507	1.077	135.6	2.503	1	1.133	504.6	0.705	17.33	36.0
Dutch Guilder	0.218	0.513	0.910	114.6	2.115	0.945	1	488.5	0.455	15.00	336.0
Italian Lira	0.510	1.203	2.134	268.7	4.958	1.981	2.444	100.0	1.295	34.14	100.0
Canadian Dollar	0.365	0.860	1.227	162.2	3.544	1.415	1.677	715.3	0.405	94.69	200.48
Belgian Franc	1.494	3.524	6.261	787.2	14.50	5.903	6.697	299.0	4.093	100.0	100.0

## EURO-CURRENCY INTEREST RATES

May 28	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian \$	Japanese Yen
Short term	17 1/2%	8 1/4%	8 1/4%	11 1/2%	10 1/2%	9 1/4%	12 1/2%	15.00	8 1/2%	12 1/2%
7 days notice	17 1/2%	8 1/4%	8 1/4%	11 1/2%	10 1/2%	9 1/4%	12 1/2%	15.00	8 1/2%	12 1/2%
Month	17 1/2%	8 1/4%	8 1/4%	11 1/2%	10 1/2%	9 1/4%	12 1/2%	15.00	8 1/2%	12 1/2%
Three months	17 1/2%	8 1/4%	8 1/4%	11 1/2%	10 1/2%	9 1/4%	12 1/2%	15.00	8 1/2%	12 1/2%
Six months	17 1/2%	8 1/4%	8 1/4%	11 1/2%	10 1/2%	9 1/4%	12 1/2%	15.00	8 1/2%	12 1/2%
One year	17 1/2%	8 1/4%	8 1/4%	11 1/2%	10 1/2%	9 1/4%	12 1/2%	15.00	8 1/2%	12 1/2%

Long-term Eurodollar two years 10 1/2% per cent; three years 10 1/2% per cent; four years 10 1/2% per cent; five years 10 1/2% per cent; nominal closing rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two days' notice. Asian rates are closing rates in Singapore.

## INTERNATIONAL MONEY MARKET

### French rates ease

Short-term money rates continued to fall in Paris yesterday, with call money quoted at 12 1/2% per cent down from 13 1/2% per cent on Tuesday and the previous week's two-month peak of 13 per cent. Call money now stands at its lowest level for nearly six weeks. There was little reaction to a 1.2 per cent rise in the three-month Prime Rate for April after a 1.2 per cent gain in March, giving a year on year increase of 13.9 per cent. However, longer term rates showed an easier tendency with one-month money down to 12 1/2% per cent against 12 3/4% per cent and three-month at 12 1/2% per cent against 12 3/4% per cent.

In Frankfurt the Bundesbank announced that there would be no Press conference after today's fortnightly meeting of the central bank council. Changes in credit policies are normally announced at a Press conference held after the meeting, but yesterday's statement was largely anticipated, since most market operators were not expecting any changes in policy. In the money market, call money remained at 12 1/2% per cent and longer term rates were also unchanged from Tuesday.

In Tokyo money market dealers were suggesting that the Bank of Japan may attempt to ease its tight money market conditions through liquidity through purchases of Government stock from the market. Funds are normally in short supply in June as money is drawn out to meet semi-annual bonus payments.

## GOLD

### Firmer trend

Gold rose \$9 an ounce in the London bullion market yesterday to close at \$323.525 in moderate active trading. It opened at \$321.524 and touched a best level of \$323.524, with the rise attributed to the upward trend in silver and recent dollar weakness. It was fixed during the morning at \$324.00 and \$326.50 in the afternoon.

In Paris the 12 1/2 kilo bar was fixed at FF 72.750 per kilo (\$323.527 against \$313.516 on Tuesday).

In Zurich gold finished at \$323.527 against \$313.516 on Tuesday.

## GOLD

May 28	Gold Bullion (fine ounce)	May 27
Close	\$323.525	\$321.524
Opening	\$321.524	\$321.524
Morning fixing	\$323.525	\$321.524
Afternoon fixing	\$326.500	\$321.524

## UK MONEY MARKET

### Adequate supply

Day-to-day credit was in adequate supply in the London money market yesterday, and discount houses managed to balance their books without official intervention. Banks brought forward balances a small way above target and there was a large excess of Government disbursements over revenue.



## FINANCIAL TIMES SURVEY

Thursday May 29 1980

## Montserrat

Britain's last colony in the Windward and Leeward Islands has so far escaped the effects of unease in the Caribbean basin. Montserratians remain committed to a free enterprise economy and to a colonial relationship with the UK, but they know that one day they will be led to independence. RAYMOND WHITAKER reports.

## Island adapts to hard reality

THE CARIBBEAN basin is more uneasy now than it has been for several years. The waters between Cuba and Florida have been dotted with thousands of refugees escaping the austerities of President Fidel Castro's regime, starvation in Haiti is driving many of its inhabitants to sail for the U.S., Jamaica is going through severe economic trials and in Grenada Mr. Maurice Bishop's Jew Movement has staged the first coup in the Commonwealth Caribbean.

The U.S. economy is going into recession, and its island neighbours to the south know that sooner or later they will feel the effects.

So far, however, these calamities have barely ruffled the surface of life in Montserrat, Britain's last colony in the Windward and Leeward Islands. The 12,000 inhabitants of this 39-square-mile island are by no means ignorant of world affairs. Montserrat has its own radio station, and is the home of Radio Antilles, which broadcasts in English, French and Spanish to the entire region. Montserratians tend to take a detached view of matters outside their experience, and seem positively to take pride in being old-fashioned.

Although there has been a change fairly recently in the island's Government, and the new leadership is consciously trying to change direction in several respects, Montserrat has never deviated from its twin commitments to a free enterprise economy and to the maintenance of its colonial relationship with Britain.

These commitments have adapted to hard reality, however. Britain remains Montserrat's principal source of economic aid and imports, but the Government of 44-year-old Mr. John Osborne, the Chief Minister, is aware that the mother country intends, with tact and grace, to detach herself from her colonial offspring one day.

The facts of political and economic life are gradually unravelling the apron strings in any case. It was in recognition of this that the East Caribbean dollar, the currency of Montserrat and its Commonwealth neighbours, severed its connection to sterling in 1976 and linked up with the U.S. dollar instead.

Montserrat is seeking to play its part in regional organisations like the Eastern Caribbean Common Market. A Government delegation recently visited Venezuela and signed an agreement of friendship and co-operation. However innocuous the document, this was not the act of a colony which is determined to remain dependent forever.

## Too few assets

The second element of the island's credo, free enterprise, is also tempered by reality. The truth is that Montserrat has no economic base. There are few natural resources, the agricultural sector is struggling and the island relies for its income almost exclusively on tourism, development grants and remittances from emigrants. An effort is now being made to attract

offshore banks and insurance companies.

Mr. Osborne and his colleagues are aware that their tiny home has too few assets to equate free enterprise with laissez-faire capitalism; the Government has to be the engine of development to a degree that most would call socialist.

What Montserrat does have to offer is intangible — natural beauty, political stability and hospitality. It is this combination of qualities that has attracted so many Americans, Canadians and Britons to build retirement and holiday homes here, and the same combination which has prevented their presence from altering the island's way of life for the worse.

These attributes decided George Martin, best-known for his work with the Beatles, to build a recording studio on Montserrat. The inhabitants breathlessly await the arrival this summer of Ringo Starr, who is coming to record songs for his next album.

Mr. Paul Tien, a Chinese-American engineer, is another who has fallen under the spell of the island. When his son could not gain a place at an American medical school, he decided to build his own, and chose Montserrat for the honour.

That is both exaggeration and oversimplification. But the truth is just as curious: the American Medical Association has managed to provide a windfall for many grateful Caribbean islands.

The AMA, like any self-respecting monopoly, seeks to protect the incomes of American doctors by restricting the number of medical schools it licences.

But the U.S. government insists that any foreign doctor who can pass its qualifying exam should be allowed to do his clinical studies at an American hospital, and thereafter be licensed to practise.

The result is that nearly a dozen "offshore medical schools" have sprung up in the Caribbean. If one has to study outside the U.S., why not do so in attractive surroundings? They supply the theoretical training (under the watchful eye of the World Health Organisation) and if the student passes his qualifying exam, his future career is assured.

Mr. Tien's grandly-named American University of the Caribbean—or AUC as the locals call it—was almost enough on its own to pull Montserrat's economy out of the stagnation of 1977 and 1978. The construction sector got an EC\$8m shot in the arm, and the arrival of the first 500 students a few months ago had an equally encouraging effect on the service sector.

One might imagine that the arrival of 500 medical students from all parts of the world, increasing Montserrat's population by nearly 5 per cent at a stroke, would be highly disruptive. But so far the island seems to be taking the whole thing in its stride.

Montserrat's small population is almost like an extended family, perhaps that is why it is able to absorb its students and tourists with so little difficulty. As one taxi-driver told me: "I may not know everybody's name, but I'll nearly always recognise the face."

Unlike some families, however, there is a heartening absence of envy of the other man's lot, as shown by the very modest crime rate. Although there is some poverty on the island, it is impossible to starve.

Education and health services are more than adequate. The deprivation and social upheavals that afflict so much of the Caribbean are absent here. Some might say that this has led to a lack of ambition — the evidence is there if you want to find it — but it has also helped to preserve the courtesies all too lacking elsewhere. This freedom from conflict

has not always been characteristic of Montserrat. The island, named by Columbus for its similarity to the mountains behind Barcelona, was first settled in 1632 by Irish Catholics from nearby St. Kitts, who complained of persecution from Protestant colonists there. The island is proud of its Irish origins—traces survive in the shamrock stamped in one's passport on arrival, another shamrock surmounting the Governor's residence, the harp in the arms of Montserrat, place names like Kinsale and St. Patrick's and surnames like Ryan and Farrell—but the Catholics have long been outnumbered by Anglicans and Methodists.

## Invaded

Montserrat was invaded several times by the French in the 17th and 18th centuries, which may account for the island's sulphur springs being dubbed "soufrieres," the French word for cooking-pot.

But in 1782 the island became British for good. There have been few alarms since, although a high rate of emigration following the sudden decline of agriculture in the 1950s and 1960s may have saved Montserrat from a good deal of social strife.

Montserratians are not complacent, however, and voted the last Government decisively out of office when they decided that their leaders might be.

Montserrat had been under the control of the Brambles, père et fils, for 17 years before the elections in 1978. Mr. William Bramble, a former plantation worker, cotton dealer and trade union leader, was Chief Minister for 10 years before his son Austin mounted a successful election campaign against him in 1971 — surely almost the only occasion a son has dislodged his father by constitutional means. But in 1978 it was Austin's

turn to fall. Mr. Osborne and his Peoples Liberation Movement — the title should not be taken too literally — swept all seven seats in the legislative council on a platform of better economic management and more sensitivity to the needs of the people.

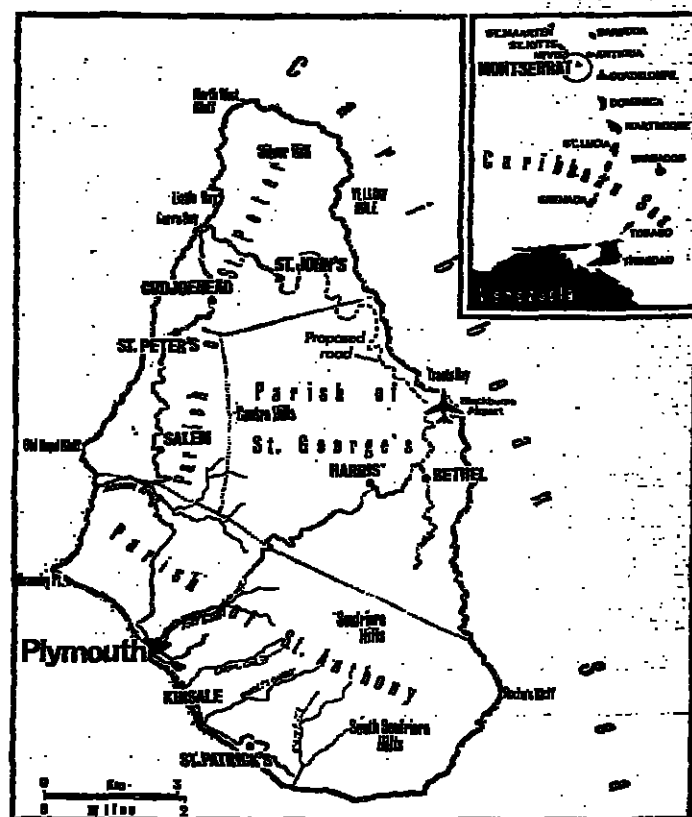
With the subsequent arrival of a new Governor, Mr. David Dale, there has been quite a sharp break with the past in the conduct of the island's affairs. Though the PLM manifesto is robust in its condemnation of the Brambles, however, father and son set a standard of administration that was a good deal better than many other colonial governments, and forged an independence of operation that the new leaders will not want to repudiate.

There is one point significantly absent from the manifesto that won the PLM control of the island, and that is the question of independence.

But Mr. Osborne concluded his budget speech this year by saying: "Most of our Caribbean neighbours have already moved into independence, and there has been some speculation that pressure might be put on us to go the same way. Let me state, here and now, that no such pressure has been brought to bear on this Government; nor is it our intention to seek independent status in the immediate future."

I said last year that our most important immediate goal was economic and financial self-sufficiency, which must come before any kind of political independence, and I have no reason to change this view."

The immediate aim, both of the Government and the British officials charged with overseeing Montserrat's affairs, is to end the annual grant-in-aid that is needed to cover the shortfall in recurrent expenditure. From the Government's point of view, this would obviate the irksome need for Whitehall to approve the budget each year.



In 1976 the grant-in-aid was EC\$3.03m, or 31.5 per cent of the total recurrent budget. Last year the amount of assistance had declined by nearly 60 per cent—and by even more in real terms—to EC\$1.3m, and has been set at just over EC\$1m for 1980. The proportion of British aid was down to 13.2 per cent in 1979, and will decline further to 7.8 per cent this year.

But the island will remain dependent on foreign aid for capital expenditure for many years to come. The public sector investment programme for the 1980-83 programme totals EC\$35.8m, and almost all of this will have to be financed from outside.

## Generous help

Apart from the British Development Division, Montserrat has over the years received remarkably generous assistance from Canada, as well as from the Caribbean Development Bank and the United Nations Development Programme. The island is finding new sources of assistance as well; the European Development Fund has helped to repair hurricane damage and the Venezuelan Government is studying the

feasibility of extending Black-burne Airport.

Many independent states need just as much outside help, however—some British colonies have even received budgetary assistance after the Union flag has been lowered. Mr. John Dublin, the island's Deputy Chief Minister, says he can see the day when Montserrat might move into "independence-in-association"—the stage which neighbouring Antigua has reached—possibly after the next elections, due in 1983.

"Eventually independence will be inevitable," he said, "but the people need to be educated on the matter. We have started to discuss the pros and cons of independence, so that people can make up their minds on the basis of the facts."

It would be sad if the mood of stringency now abroad in Whitehall were to make the Montserratians feel at some future date that they were hurriedly being pushed out to face the world alone.

To a country the size of Montserrat, Britain appears a vastly wealthy nation. It would be very difficult for the island's 12,000 inhabitants of believe that its colonial mentor no longer felt able to help.

## Investment Opportunities for the Eighties

Combine one part of infra structural development with an equal part of generous tax incentives. Then add one portion each of a manually adept labour force and a stable political climate—The end-product is Montserrat's industrial base today.

## Industrial Objective

The main objective of our Industrial efforts is to assist in achieving full employment and improving the income distribution in the island. To this end, a number of agro-based and employment oriented industrial projects which do not ordinarily provide the profit margins that would interest the private sector, have been established. These include cotton spinning, handicraft, leather tanning, leather craft, hot pepper and woodworking projects.

## Special Industrial Incentives

The Manufacturing Sector can benefit from a number of incentives to industry offered by the Montserrat Government. These include:

- (1) Duty-free importation of machinery and equipment
- (2) Duty-free importation of raw materials and semi-processed goods
- (3) Tax Holiday up to 15 years depending on Local Value Added
- (4) Free repatriation of registered capital
- (5) Free remittance of profits and dividends
- (6) Free re-export of equipment
- (7) Government is also prepared to examine individual requests for assistance with training costs, based on clearly established need for such assistance

## Guarantees

Speedy processing of work permits for managerial and technical staff is guaranteed.

## Incentives to Hotel Investors

In the Hotel Industrial Sector, the concessions granted include tax holidays; duty-free importation of all building materials, machinery and equipment; and unimpeded repatriation of dividends. The benefits available to hotel investors are considerable, for the Montserrat Government is committed to the development of a vibrant tourist industry. To this end it has obtained a Trislander aircraft which provides supplementary services in and out of Montserrat, and guarantees speedy connections to the island.

A climate conducive to industrialization (which holds good prospects for the future of Montserrat) is being developed.

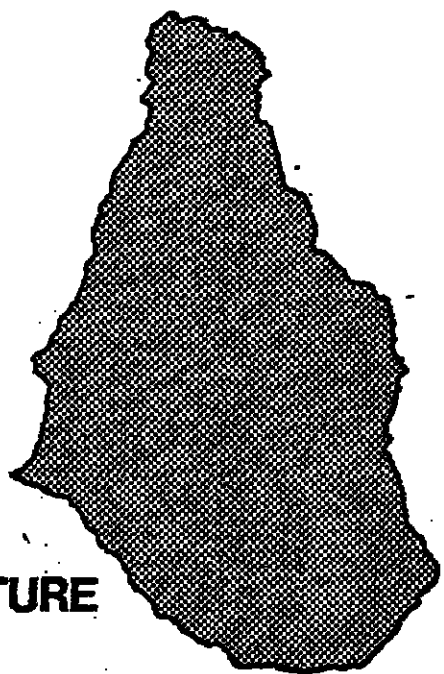
You too, should take advantage of the industrial opportunities available in Montserrat. Your entrepreneurial skills combined with our local resources can serve a vital function in structuring our Industrial Programme along a path of sustained growth to our mutual benefit.

## JOINT VENTURE PARTNER SOUGHT FOR INDUSTRIES IN MONTSERRAT

## Matches

- i Regionally approved Project
- ii Technical feasibility and Market Survey completed
- iii Supplies of match sticks available from local forestry resources
- iv Total investment estimated at U.S.\$600,000

## INDUSTRY



## AGRICULTURE

## Household Plastics

Buckets, Tubs, Basins, Plates, Cups and Cutlery etc. Market in the Caribbean region estimated to be U.S.\$1-2 million. Likely to grow with local production.

Rights for a protected market in the sub-region being secured. Capital involvement considered of the order of U.S.\$500,000. Technical feasibility will be undertaken with the assistance of foreign partner, who is expected to bring in know-how and engineering technology.

## Manufacture of Tapes and Cassettes

Negotiations are in hand for setting up a magnetic tape and cassette assembly industry in Montserrat; type C-60. Capacity aimed at 6 million units on a one shift basis; and 12 million on a two-shift basis.

Total investment estimated at U.S.\$2 million.

Investment partner required.

A copy of the Project profile will be made available to prospective partner.

## Electronics Assembly

Electronics Assembly facilities have been set up in Montserrat with the assistance of the Government, employing 250 people.

Existing facilities can accommodate a work force of approximately 300.

## TOURISM

Labour intensive operations can be performed at our facilities at relatively low prices. Activities include:

- (a) Printed Circuit Board Assembly
- (b) Stator Core Assembly
- (c) Wire Harnessing
- (d) Consumer items such as Radio and Stereo Components

Assembly, Transformers, Electric Fans, Calculators, etc. The electronic operations work with Standard equipment and Tools. Any equipment which is unique to a specific project should be supplied by the customer, as well as in-plant training for such a project.

The technical personnel in our electronic assembly are fully qualified to do your electronic assembly work on a contract basis.

## Hot Pepper Processing

Facilities have been established to process 60,000 lbs hot peppers, per month into red pepper paste. Capacity exists for expansion.

Our objective is to manufacture the final product, pepper sauce. Joint-venture partner required, with an established brand name who is expected to provide the technical know-how.

## INTEGRATED LEATHER INDUSTRY

## Tannery

Tannery already established in Montserrat. Tanned leather used by local leathercraft operation, and surplus exported to neighbouring islands.

This is the only tannery in the Eastern Caribbean, and, therefore, needs to be expanded to meet the requirements of leather of a shoe factory and leathercraftsmen.

Joint-venture partner required with experience in tanning and available finance. Present investment of the order of U.S.\$300,000.

## Leathercraft Industry

Small tannery already in operation in Montserrat, and this could meet the needs of a commercial leathercraft operation.

A nucleus of a leathercraft unit already exists which has to be modernized and developed for the production of leather goods.

Joint-venture partner required with specialized design know-how and established market.

## Garments

A Company for manufacturing garments, mainly T-shirts and light clothing has recently been registered in Montserrat. In the initial phase, 80 machines are being installed.

The Factory shell building is expected to be completed for occupation by April/May, 1980. The scope for expansion of the factory would allow for the installation of about 200 machines.

Joint-venture partner required with experience in the manufacture of, and with established market in specific types of garments.

If you are interested in finding out more, write to—

Department of Industries, Chief Minister's Office, Government Headquarters, Plymouth, Montserrat, W.I.



## MONTSERRAT II

## Economy vulnerable to outside factors

THE PERFORMANCE of Montserrat's economy over recent years illustrates the vulnerability of the island to forces beyond its control.

Real growth in gross domestic product recovered to 5 per cent last year, and is expected to continue this year. But only three years ago the combined effects of drought and the hangover of the 1974-75 oil price recession in the developed world brought a 5 per cent decline in GDP.

In 1977 the demand for villas and apartments slowed, and the resulting slump in construction, the island's main industry, had a drastic effect on the economy as a whole.

GDP remained depressed in 1978, since a modest recovery in construction was offset by the continued decline in agriculture. But last year the winds of fortune chose to blow favourably for Montserrat. The American University of the Caribbean produced the biggest building contract in years, supplemented by the revival of demand for retirement homes and a heartening increase in tourism.

Despite the increase in earnings from tourism, however, the island's current account deficit shot up from 43 per cent of GDP in 1978 to an appalling EC\$20m, which was 60 per cent of GDP.

## Deficit mounting

This was due to a sharp rise in imports of equipment and building materials for the construction industry, but in any case the visible trade deficit has been mounting steadily for years, apart from a brief dip in 1977.

Last year the gap between imports and exports, including re-exports, widened to EC\$25m. The deficit was financed by direct foreign investment and Government aid.

The cold numbers would lead one to expect scenes of widespread poverty on Montserrat, but that is far from being the case. GNP per head was determined in 1978 at US\$820, the third highest in the eastern Caribbean, after the much more richly endowed islands of Trinidad and Barbados.

The brisk trade in brand-new Japanese cars, imported liquors, clothing and electrical goods is by no means confined to the foreigners who have taken up residence on the island. Even the humblest villages have a sprinkling of homes which approach the standard de-

manded in the holiday villas market.

The answer to this mystery, in a word, is remittance money. There are no official figures for the number of Montserratians living abroad, but it is believed to be well over half the number who have stayed on the island. Britain alone is thought to have about 4,000 to 5,000 immigrants from Montserrat.

If the number of overseas-based Montserratians is difficult to ascertain, the amount of money they send home is even harder to estimate, since the taxman might be listening. A very rough guess for 1979 might be in the region of EC\$12m.

Remittances distort the statistical picture in that they permit many of the island's inhabitants, particularly the old, to live half in and half out of the cash economy, growing their own food requirements and supplying their cash needs from abroad.

Montserrat's infrastructure also belies any impression of straitened circumstances. All the important points on the island are connected by paved roads, and will be when the St. John's-Transit road is completed. There is an excellent telephone system, with direct dialling to Europe and North America. The electricity supply, with the recent addition of generating capacity, is more than equal to the island's requirements. Although a need exists for irrigation facilities to combat Montserrat's periodic droughts, there are ample quantities of water.

External transport poses some difficulties, however. The Government is contemplating the extension of Blackburne Airport to take larger aircraft, but the alignment of the runway means that a good deal of mountainous land will have to be removed; one's arrival in Montserrat is memorable for the way the aircraft flies straight at a cliff before banking sharply to make its approach.

Harbour facilities at Plymouth have improved considerably in recent years, with the construction of a jetty capable of accommodating large ships and the provision of roll-on-roll-off handling. The container facility has been out of action since Hurricane David, however, and urgent priority is being given to repair work.

But these facilities exist mainly for the convenience of importers. There is a stream of empty containers leaving Mont-

## BASIC STATISTICS

Area	39.6 sq miles
Population	12,000
GDP	EC\$33.3m
Trade (1978):	
Imports	EC\$26.9m
Exports	EC\$1.9m
Re-exports	EC\$1.8m
Imports from UK	EC\$8.8m
Exports to UK	EC\$617,372
Currency:	
East Caribbean dollar	£1 = EC\$6.15

serrat for the U.S., Europe, and points further south in the Caribbean. The island may be able to fill more of them if plans to upgrade agriculture, including the cultivation of less perishable foods, are successful.

But the small size of the island's exports has made it uneconomic for ships to make regular calls. The last scheduled freighter stopped five years ago, and the authorities have tended to look for operations producing small, high-value goods that can be shipped out by air.

The constraints on exports mean that there is probably more to be gained from a drive to substitute imports. Again the agricultural sector needs to do more, particularly to correct the heavy imbalance in food trade.

## Canning plant

The Government is studying the feasibility of a canning plant to cut down on the high imports of tinned food, including many items that are already grown on the island, but which cannot be preserved.

A range of import duties and consumption taxes have been in existence for some time in an attempt to reduce imports of cars, spirits and luxury consumer goods, but Montserrat has little defence against the crippling rise in the price of imported fuels.

Although the price of petrol has been raised steadily, and almost monthly this year, it still costs only EC\$4.24 a gallon at the pump—expensive by North American standards, but well below the British price.

The Government's reluctance to pass on the full cost of petrol to motorists has led instead to an effort to conserve fuel by closing garages on Sundays, but this seems to have had little effect.

A search is on for alternative energy sources. The island might be able to make use of the easterly winds that blow almost all year round, but some of the technical difficulties of producing significant amounts of electricity from windmills have yet to be solved.

It might be more feasible in the short term to obtain energy from Montserrat's hot springs, and the Government is seeking funds from Britain and the U.S. for geothermal exploration.

The island's dependence on imports also makes it hard to control inflation, which has rarely fallen below double figures in the 1970s. Last year the rate accelerated sharply to 18 per cent.

Given the structure of the economy, the looming downturn in the member countries of the Organisation for Economic Co-operation and Development gives little cause for optimism. Remittances, construction, tourism and even foreign aid are all likely to suffer, as conditions in the industrialised world get worse.

The Government has high hopes of developing Montserrat as an offshore banking and financial centre, an idea that was first mooted a decade or more ago but which was left in abeyance.

The revival of the scheme has resulted in about a dozen offshore banks being licensed this year, but the authorities are proceeding with caution. The United Nations Development Programme has been asked to help with a detailed review of the island's banking and financial legislation; among the issues which must be resolved are the foreign exchange levy and the applicability of company tax.

The Government, which also hopes to attract insurance business, is aware that would-be operators must be carefully screened if Montserrat is to avoid the bad name that other islands have gained. The authorities were lucky to escape relatively unscathed last year from a brush with one character claiming a knighthood unchronicled in any of the standard reference works.

The state of public finances is relatively healthy at the moment, since the growth experienced in 1979 led to a fairly sharp rise in revenues. This enabled the Government to absorb a 50 per cent pay increase for civil servants, whose salaries had been frozen for nearly five years.

The growth in revenues is expected to continue in 1980, easing the progression towards elimination of the annual British grant-in-aid to balance the budget.

## Difficulties

Some difficulties may be encountered further down the road though. Public sector revenues are just as subject to international economic conditions as the rest of the economy, and although the Government has faced the fact that a tight check must be kept on social expenditure, this resolve may weaken as the next elections approach.

It is difficult to adopt Thatcher-style policies on an island where almost everyone knows almost everyone else, and where a citizen with a complaint will insist on airing it in the Chief Minister's office.

The Government has projected annual growth of 3.3 per cent in its economic plan to 1983. This is an ambitious target, and will depend a good deal on the implementation of the public sector investment programme.

## Government struggles to give farmers a decent living

AGRICULTURE is the one sector that offers Montserrat a degree of economic independence in the years ahead, but so far many hopes have been invested with little return.

The Government has been waging a long struggle to push the island's farmers above subsistence level. The five-year agricultural plan drawn up for the period 1979 to 1983 shows that the authorities have no illusions about the problems they face, that, at least, can be seen as a hopeful sign. The difficulties are those confronting any developing country, but there are a few pertaining to Montserrat alone.

For a start, only a third of the island's 39 square miles are cultivable. This makes economies of scale very difficult to achieve, and means that a high degree of investment is needed in proportion to the number of farmers and the area of land involved.

Farming as a way of life has become a victim of rising aspirations as well. Agriculture is widely regarded in the Caribbean as demeaning, and has proved unattractive to the more enterprising and ambitious Montserratians, who see better pay and prospects in the hotels or the retail trade.

The exodus from the land—frequently from the island altogether—has left Montserrat with an ageing farming population. Most farmers are over 60, and the average land holding is less than five acres.

The consistent decline into subsistence agriculture has made the island heavily dependent on imported food. In 1978, the last year for which detailed figures are available, food represented almost a quarter of all imports. The gap between imports and exports in food was nearly EC\$6m—a huge deficit for such a small island.

A whole host of problems needs to be overcome more or less simultaneously for this position to be remedied. Younger, more vigorous, men must be attracted back to the land, but for that to happen they must reasonably assured of a decent living, and that in turn requires resolution of the land tenure question.

## Estate system

The present state of agriculture has its roots in the estate system, dating from the first settlements in the 17th century. After sugar began to decline in importance more than 100 years ago, its place was taken by limes, then by sea-island cotton.

The decline in turn of cotton led to the collapse of estate agriculture and a mass migration from the land. In the two decades following 1952 the population of Montserrat fell by about 20 per cent, from 16,000 to 12,000. The area of land under cultivation contracted even more sharply, by about two-thirds to 5,860 acres in 1972.

Through all this, however, land ownership remained concentrated in a few hands. The present Government has inherited a situation in which there had been virtually no capital investment in agriculture for 20 years. Insecure tenant farmers were unwilling to venture anything, and the rise of the retirement and holiday villa market encouraged owners to hold on to unproductive land for speculative purposes.

The projected investment of EC\$35.5m is divided as follows: agriculture 12 per cent, industry 22 per cent, tourism 10 per cent, transport, power and communications 26 per cent and social expenditure 30 per cent. All but a tiny proportion will have to be found overseas.

So far the Government can expect to raise nearly EC\$26m of this sum, with EC\$10.1m already firmly committed. Improvements in the implementation of projects will be needed, however, if the targets are to be met.

The current Budget provides for development fund spending of EC\$6.3m in 1980, of which the lion's share—EC\$5.4m—will be provided by Britain. Most of the rest is being met by grants from Canada and the European Development Fund. The Government is looking for aid commitments to finance another EC\$6.6m of development expenditure this year.

It is clear that Montserrat will not be able to borrow on the international markets in the foreseeable future—the island finds it hard to meet even the concessionary terms offered by the Caribbean Development Bank.

But as the colony has widened its search for potential donors, the burden to Britain has remained relatively constant, and the money is surely worth it for the good will it produces.



These fishermen at Carr's Bay use the traditional seine method, but their sparse catch indicates the need to invest in more modern means

## Message from

JOHN A. OSBORNE

CHIEF MINISTER MONTSERRAT

Dear Reader,

The decade of the seventies brought with it economic developments, world-wide, which seemed make the world a smaller place. Certainly in terms of new areas of investment and cost of new ventures. Political unrest, on an almost global scale, has changed the climate for investment, as well as relaxation vacation, in many of the traditional places. Not so in Montserrat.

Montserrat, a British Colony, with stable democratically elected government, lies about 260 miles South-east of Puerto Rico and 27 miles South West of Antigua. Our population of 12,000 is reputed to be among the most hospitable in the world. We in Montserrat continue to maintain a policy of encouraging foreign investment, while guaranteeing, at government level, the freedom of the investor to repatriate all capital, dividends, profit and earnings from this enterprise.

Industries established here in Montserrat are entitled to up to 15 years free from taxes on profits, and losses during this tax-holiday period can be carried over to the following tax years. Raw material and machinery needed for industry may enter the country duty free.

Reciprocal tax relief agreements exist between Montserrat, the United Kingdom, the United States of America, Canada and many other countries.

There are five flights a day between Montserrat and Antigua, where most major airlines provide service using Antigua's jet airport facilities, and a modern deep-water harbour accommodates large ocean-going vessels. The average business will find adequate service of high international standard provided by the Montserrat branches of Barclays Bank International and the Royal Bank of Canada.

Having said all this, it remains only for you to come visit with us, or request further details from my office, located at the Government Headquarters, Plymouth, Montserrat.

We look forward to a partnership with you.

Yours sincerely,

JOHN A. OSBORNE

Chief Minister.

## WHO KNOWS THE CARIBBEAN BEST?

If you are interested in Montserrat you will want to know a lot more about what's happening elsewhere in the Caribbean. As you may have already discovered, it's not easy. That's where Caribbean Insight comes in.

Insight is a unique monthly economic and political newsletter covering all the islands and countries that make up the Caribbean. It is non political and carefully differentiates fact from informed speculation.

Caribbean Insight has been consistently ahead of the news. Using its unrivalled team of correspondents throughout the Caribbean, as well as in Europe, North America and Latin America, Insight is best placed to provide a complete picture of what's really happening at an economic and political level in the Caribbean Basin. That's why most Caribbean Heads of State, businessmen at the highest level, newspapers and Governments throughout the world subscribe.

Phone Miss Anne Kerin on 01-439 8820 or write today for further information and a free copy to: The Subscriptions Manager, Caribbean Insight, 27-29 Beak Street, London W1R 3LB.

## M. S. OSBORNE LTD.

THE PROFITABLE WAY INTO THE MONTSERRAT MARKET

We are a diversified Group involved in marketing. We can show proven success in the handling of international brand names.

We are interested in: Companies contemplating new product markets in Montserrat.

Companies interested in investment in Montserrat.

Please address all enquiries to: The Managing Director, M. S. Osborne Ltd., P.O. Box 267, Plymouth, Montserrat, W.I.



## MONTSERRAT III

# Tourists find an escape from the pressures of modern life



Tall palms shade the cottages of one of Montserrat's principal hotels, overlooking Isles Bay



A rusting cannon, peering out from the ruins of a fort on Montserrat's west coast, testifies that the island was not always as peaceful as it is today



A conventional "sun, sand and sea" picture—except that Montserrat's volcanic origins mean that most of its beaches are black

THE ATTRACTIONS of Montserrat are something that many of its visitors would like to keep secret. Each year they return—some for a second visit, others for the first—drawn by the island's tranquillity, its lush vegetation, its friendly people and its escape from the pressures of modern life.

They have little to fear. The authorities unanimously reject that they call "Montego Bay" tourism, to which Montserratians might be high-rise hotels, low morals and wide-bodied jets. But Montserrat cannot afford to ignore the benefits of tourism. From modest beginnings about 20 years ago, net revenues grew to £175,000 last year—roughly 13 per cent of the island's gross domestic product.

Building villas for holiday-makers and retired people has made construction the island's most important industry, creating much-needed employment in the process.

Last year 14,405 tourists visited Montserrat. This apparently minute figure must be seen in proportion: it is more than the island's permanent population. It also does not include the many villa owners who have acquired resident status.

Although more visitors—5,350 arrived in 1978, the decline was almost entirely accounted for by the drop in the number of cruise ships call-

ing at the island. The number of longer-term visitors continued to show an upward trend.

About half of Montserrat's visitors came from the U.S., with tourists from other parts of the Caribbean accounting for another quarter and most of the rest divided between Canada and Britain, in that order.

What brings them to Montserrat? As one official report coldly pointed out, the island has few sandy beaches, little night life, no casinos, and shopping facilities which are limited to put it kindly.

Those who are precisely the attractions cited by respondents to my informal survey. What they wanted was a complete retreat, in agreeable surroundings, from the pressures of modern industrialised life. (The pressures they sought to escape were demonstrated by the fact that several were senior executives of Fortune 500 companies.)

Those who had "discovered" Montserrat after visiting other islands were quick to comment on the absence of hostility to outsiders, probably because the destitution and squalor conditions that can be found elsewhere in the Caribbean are also absent. The beaches may be few, but they are attractive, and even on a blazing Sunday afternoon they are far from crowded. Night-life is limited to a handful of

bars and restaurants, and a weekly barbeque with steel band at the Vue Points hotel. The 747 Disco in Plymouth promises "unlimited entertainment"—a claim I did not investigate.

It follows that the island is more likely to attract the older holidaymaker. Since a low volume of high-income tourists is precisely what Montserrat needs, the tourist board wisely lays stress in its promotions on the colony's old-fashioned atmosphere and hospitality.

### Friendly

The natives are indeed friendly. Despite the steady growth of foreign tourism, you are always asked whether this is your first visit, and if so, what your impressions are. A drive through the island is a procession of greetings from passers-by, who wave, and oncoming drivers, who flash their lights, tout their horns, or wave—sometimes all three.

Official reports do not include descriptions of natural beauty either, which in Montserrat's case is a significant omission. One is immediately struck by the island's dramatic appearance, with lush greenery over steep volcanic peaks. The 3,000-foot summit of the tallest, Chances Peak, is nearly always hidden in cloud.

The sharp elevations produce a surprising variety of landscapes and vegetation in such

a small island. The highest summits are clothed in rain forest, while at sea level several varieties of cactus grow. The mountain slopes have the most fertile soil, and crops of vegetables mingle with trees producing such edibles as mangoes, limes, cashews and bananas.

Montserrat is well-endowed with springs, producing streams which fall precipitously to short alluvial plains before reaching the sea. As with any self-respecting tropical paradise, the island has palm trees in profusion, although the locals prefer the short variety, which do not demand the skills of a mountaineer to pluck the coconuts.

Montserrat's volcanic origins produce one or two surprises for the visitor. Nearly all the beaches are black rather than blond, but this makes little practical difference. The southern part of the island has volcanic springs which belch sulphurous clouds, killing the surrounding vegetation, and give off streams of hot water.

The most accessible, Galway's Soufriere, presents a lunar landscape coloured by lemon-yellow sulphur deposits and crystallised salts. The stream issuing from the soufriere falls 200 ft further down its course; another popular sight, although here, as in other aspects, the island does not cater for the tourist who demands easy access to his pleasures.

The soufriere is a 20-minute walk-and-scamble, during which the visitor must be careful to avoid slipping or being scalded. The waterfall is 45 minutes from the nearest road.

Those who are untroubled by the thought of a 45-minute walk to see a waterfall will probably also be interested to know that Montserrat has facilities for tennis, scuba diving and sailing, and one of the best nine-hole golf courses in the Caribbean.

Those more interested in culinary adventures should try "goat-water"—a stew which is tastier than its sounds—or "mountain chickens," which turn out to be frog's legs.

December is the busiest month for tourist arrivals in Montserrat. The week between Christmas and New Year is the occasion for the annual carnival, with parades, steel bands and "jump ups," proliferate. The season continues to mid-April. The island is now trying to smooth the seasonal fluctuations in tourism by attracting more summer visitors, particularly from Switzerland, Germany and the UK. Since the maximum variation in temperature between winter and summer is only 5 degrees Fahrenheit and the constant easterly winds keep down the humidity, the idea of a "season" is somewhat artificial.

The equable climate and the island's political stability made Montserrat the choice for an American company seeking to build retirement homes in

the Caribbean nearly 20 years ago.

Although the company now concentrates on managing its development at Old Towne, private villa construction has continued ever since. Its importance to Montserrat's economy was underlined when the effects of the 1974-75 recession in North America and Europe finally filtered through to the island three years ago. The marks of inflation are still to be seen in the prices of land and building, and in the rents demanded. Although quarter-acre sites can be had for U.S.\$5,000, half an acre in the prime East Coast districts of Old Towne and Woodlands will fetch up to U.S.\$20,000.

### Seller's market

The cost of building materials and labour have risen to the point where a two-bedroom villa with two bathrooms will set you back about U.S.\$30,000.

A seller's market has reappeared in property after some levelling-off in recent years. Homes with two bedrooms and two bathrooms are being advertised for around \$100,000, although prices vary considerably from one area to another. One luxury home on large grounds recently changed hands for \$215,000.

Five years ago off-season villa rent began at about US\$ 100 a week; now one can expect to pay at least \$175. A large villa with a swimming pool and a view will cost about \$300 a week

in summer, although rents can range as high as \$650.

Prices usually include maid service five days a week, and all but the most modest villas are likely to have a pool. Rents in the winter high season are about 50-70 per cent more.

Despite the increases of the past five years, these rents compare well with Europe, and the standard of accommodation is at the North American level.

The mainland passion for condominiums has reached Montserrat with the construction of a number of units on Richmond Hill. Several more are planned in different parts of the island.

The authorities are aware of the dangers of overdevelopment, however. A zoning system has been introduced to prevent uncontrolled villa construction and land subdivision.

The Government is pursuing a cautious development strategy of its own. The number of hotel bedrooms on the island has remained static at about 150 for several years, and only half of these are up to international standard.

Since efforts to interest the American hotel chains have failed, the Government is carrying out a feasibility study, funded by Canada, for the establishment of a hotel resort complex at Little Bay, in the North-West. Plans include a yacht marina, condominiums and a golf course.

The creation of a duty-free shopping area in Plymouth to

lure back the cruise ships and the promotion of Montserrat in Europe as part of a multi-centre holiday are also being considered. The possibility of a health spa at one of the island's hot springs remains to be explored.

The most urgent priority, however, is to improve access to the island. For years tourists have complained of the inefficient and erratic service between Montserrat and Antigua's international airport provided by LIAT, the Leeward Islands airline.

The provision of an 18-seat Trilander aircraft by Britain was intended to be the foundation of a shuttle service between the two islands, but delays persist and the provision for baggage is inadequate. In peak season there are not enough seats, and it is not unknown for tourists to wait two or three days for their suitcases to make the 20-minute crossing from Antigua.

Although the number of seats on the route has not increased with the arrival of the Trilander, the number of flights has, which means passengers no longer have to rise at 5.30 am to catch the morning flight to Montserrat.

LIAT's booking system remains slow, however, and plans are under way to hook into the British Airways computer at a cost of U.S.\$ 500,000.

If the money can be found, LIAT reservations may be computerised by the end of next year.

## Government hopes to develop labour intensive industries

"IF YOU are aged between 18 and 40 and would like to earn high pay, you are the type of person we are looking for. It doesn't matter if you are skilled or unskilled, male or female, so long as you are prepared to travel."

The advertisement recently appeared in the weekly Montserrat Mirror, the island's only newspaper. It illustrates the powerful pull of emigration with which the authorities have to compete in their attempts to attract jobs to the colony.

It would be grandiose to describe Montserrat's search for foreign investment as "an industrial development strategy." The tiny extent of the island's population and resources make such terms inappropriate, not to say superfluous.

A look at the list of Montserrat's principal manufactured

exports shows a curious collection of items, determined more by the vagaries of international demand and the sheer chance of a foreign investor happening along than by any overall plan.

The list is headed by first-day covers sold to the world's stamp collectors, to the tune of nearly EC\$600,000 in 1978. Useful though this income may be, however, it does little to create jobs.

But the pre-eminence of philately is now being threatened by the recent establishment of two plants assembling electronic components for re-export. The pocket calculators, push-button games and transistor radios bought by Americans are kept in just over 100 Montserratians in full-time work, and another 100-odd in casual employment.

The only other single exports which earn more than \$100,000

a year for the island are manufactured sand and scented fish hooks. The most venerable "enclave industry," however, must be Montserrat's tyre retreading plant, which imports used tyres from the UK and exports recaps to neighbouring islands.

The government is seeking foreign participation in several labour-intensive ventures. Britain has approved a loan of EC\$400,000 to set up a garment-making operation, employing more than 60 people. The plan is to import the cloth and export the finished article, and the plant is hoping to benefit from an American aid programme which supplies cut material and assures a market for the garments.

The government is also beginning a joint investment with a Canadian firm to manufacture flour sacks, tarpaulins and plastic bags from natural and artificial fibres.

Preliminary work has been done on a number of other projects, including the production of household plastic goods like plates and basins, matches, tapes and cassettes, and the assembly of solar heating panels.

Montserrat offers generous incentives to investors, including duty-free importation of equipment and raw materials, a tax holiday of up to 15 years and unrestricted repatriation of capital, profits and dividends.

However, many other Caribbean territories offer similar terms. Although Montserrat has a relatively sophisticated, well-educated work force, there is a corresponding loss of wage competitiveness. And, apart from the electronics assembly and the future garment-making operations, foreign-based industries usually do not offer more than a handful of jobs. With few exceptions, too, the enterprises set up have tended to favour women rather than men.

### Only one needed

The scale of Montserrat's needs, however, are such that one really successful labour-intensive industry would be sufficient to eradicate unemployment.

The Government is hoping to find the solution in what it terms "agro-industry." The two operations on which it is concentrating are the processing of hot peppers—already a going concern—and the production of finished goods from locally-grown cotton.

Success in these fields would have the added attraction of making Montserrat less dependent on the whims of far-away directors and shareholders—

always a danger with enclave operations.

Despite this, the Government needs foreign investment in its "agro-industry" as well, not only because it does not have the capital, but also for the marketing expertise which the island lacks.

The hot peppers operation is a case in point. While the island makes a respectable income exporting crushed peppers to a sauce manufacturer in Trinidad, it hopes to produce its own brand eventually, and is looking for a foreign partner with an established brand name.

But the Government has the highest hopes for job creation in its plan to develop an integrated cotton industry, using skills which the island has always possessed. If a success, the industry could provide full-time jobs for about 150 people, and part-time work for another 100.

### Air transport

If goods of sufficient quality and value can be produced at the end of the production process, it would be possible to ship them out by air, thus avoiding the problems of the island's irregular sea communications.

The small amount of cotton now being spun is used to supply Montserrat's handicrafts industry and a modest weaving operation, set up with a dozen looms donated by India.

These processes are about to expand. Negotiations are under way for a development loan of EC\$1.5m to buy an industrial spinning machine, and the Government has a 20 per cent stake in a small machine-knitting project.

The real boost to employment will come with the donation of another 120 looms by Canada, which will equip Montserrat to export such hand-woven products as stoles, place mats, skirt lengths and handbags. The first examples, on sale in the Government handicrafts shop, display a high quality of workmanship and taste.

One more industry remains to be mentioned, and it contains a warning for the Government as it embarks on the cotton project. The island's tannery is the only one in the eastern Caribbean, but it has proved too large for the domestic market and too small to supply the needs of its main potential client, the shoe factory on nearby St Kitts.

## The Caribbean The way it used to be

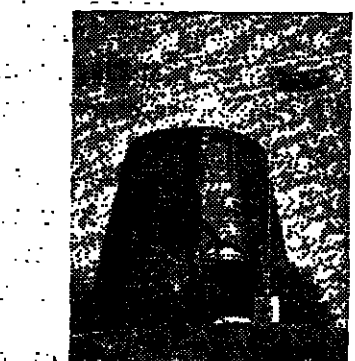
A sentry on Guard at Government House



View Points Hotel beach



Golf—Belham River Valley Golf Course



Museum—set in an old sugar-mill

In discovering the island paradise of Montserrat, Christopher Columbus preceded you by almost 500 years. Montserrat is pretty much the same today as when it was discovered in 1493, except perhaps for... exotic villas, a 100-acre 9-hole golf course, cabana-style accommodation. You can get to Montserrat from Antigua in fifteen minutes. Antigua itself boasts a jet airport served by most major airlines.

When you see Montserrat, you see the Caribbean the way it used to be. Villas—not highrise hotels. Pure mountain air—not smog. Stable politics—not tension. Leisure—not bustle.

Temperatures range from 70°F—88°F all year round, and the landscape is as enchanting as our beautiful beaches and bays where swimming is quite safe and where you can be alone and undisturbed. Most beaches are a delight and a surprise to people who have never seen black sand.

The active sports enthusiast may golf at the Belham Valley Golf Course, reported to be one of the finest in the Eastern Caribbean, or... play tennis, in brilliant tropical sunshine, at dusk, or on floodlit courts.

For the nature lover and hiking enthusiast, brilliant red and orange blossoms of flamboyant trees shine through miles of bushy trails. The natural habitat of the iguana and mountain chicken—both native delicacies. The Great Alps Waterfall and the Galways Sulphur Springs provide yet two more unique attractions.

Seekers of the exotic must visit the "Groves" Botanical Gardens to see the YLANG YLANG Tree (CAMANGA ODORATA), also known as the perfume tree.

Montserrat is small, old-fashioned and tranquil. Its people are among the friendliest in the world as is evidenced by their welcoming smiles. In fact, Montserrat is "the Caribbean the way it used to be." Come visit with us. Further details will be willingly supplied by

**The Montserrat Tourist Bureau**  
P.O. Box 7 Plymouth, Montserrat, West Indies

### CHARLES MERCER WHOLESALE AND RETAIL MERCHANTS

In our main store we offer dry goods, cosmetics, boots and shoes, paints and spirits.

In our supermarket we offer a complete range of groceries, frozen foods, ice creams and liquors of all descriptions.

**CHARLES MERCER LTD.**  
P.O. Box 223, Plymouth,  
Montserrat, W.I.

### MONTSERRAT ELECTRICITY SERVICES LIMITED

Supplying Dependable Electrical Power

for  
Domestic and Industrial Use  
Expanding Supply for Future Development

### 'MONLEC'

DISTRIBUTION  
230/400 VOLTS

TRANSMISSION  
11,000 VOLTS

Cable Velpop

60 HZ

Phone 2441/2











## FINANCIAL TIMES STOCK INDICES

Gold Mines.....	352.3	317.7	310.1	308.5	310.0	308.9
Ord. Div. Yield.....	8.50	8.55	8.45	8.34	8.50	8.18
Earnings, Yld. % (full)	20.95	20.78	20.57	20.54	20.60	19.94
P/E Ratio (net) (%)...	3.86	3.89	3.90	3.97	3.93	4.08
Total bargains.....	20,099	18,079	17,431	17,444	17,335	17,307
Equity turnover 5m.	—	100.00	95.09	93.25	94.30	85.35
Equity bargains total	—	12,573	12,907	11,618	12,571	11,959

		1980		Since Completion				May '80
	High	Low	High	Low				
Govt. Secs.	66.26 (21/1)	63.85 (7/5)	127.4 (6/198)	49.18 (6/1/76)	-Daily Govt. Bonds Industrial Speculative Totals	21.85 105.6 36.5 74.9		
Flood Int.	66.51 (21/7)	60.70 (10/8)	150.4 (2/11/77)	50.85 (4/1/76)				
Ind. Ord.	477.5 (1/6)	406.9 (1/6)	550.5 (3/1/76)	49.4 (3/1/76)	5-day Averages			
Gold Mines	378.9 (2/8)	365.5 (1/14)	442.3 (22/6/75)	45.5 (2/1/77)	Industrial Speculative Totals	112.7 109.7 76.5		

group. Central Pacific advanced £1½ to a 1980 high of £284 and Southern Pacific £1½ to a peak of £11.

It then responded to the Perth Basin gas find with a 9 jump to 24½—on Tuesday morning Strata were changing hands at 10p.

And North West Mineral rose 2 and 5 respectively. Diamond expiration came in for strong s. Leichardt moved up 40 to while the Ashton participants gained ground. Northern rose 10 to 138p.

## NEW HIGHS AND LOWS FOR 1980

The following three quoted in the Share Information Service yesterday attained new Highs and Lows for 1980.

### NEW HIGHS (22)

Eschwege	130c ½
RUSSIAN BONDS (1)	
1974-75	130c ½
Public Bonds (7)	
UPI 140c 1980	
UPL (U.S. Fin.) 110c	

### FOREIGN BONDS (1)

Antofagasta Railway

### BANKS (1)

Artsutmet Lethbridge

### STORES (1)

Peters Stores

### ENGINEERING (1)

Hall (Matheson)

### FOODS (1)

Sourpines

### INDUSTRIALS (1)

Service Services & NV

### INSURANCE (1)

Prudential

### LEISURE (1)

Scottish TV A

### PROPERTY (1)

Rush and Thomas

### OIL & GAS (3)

Santos

Woods Petroleum

Dr. Phil. Ord.

### MINES (7)

Thyssen

Sellmonnd

Pand London Coal

Southern Pacific

## NEW LOWS (102)

BANKS (1)	
Eschwege	130c ½
BUILDINGS (1)	
CHEMICALS (3)	
WRAPERY & STORES (10)	
INDUSTRIALS (18)	
FOODS (3)	
HOTELS (1)	
INDUSTRIALS (18)	
LEISURE (1)	
MOTORS (9)	
PAPER & PRINTING (4)	
TEXTILES (4)	
TOBACCO (1)	
TRUSTS (3)	
OVERSEAS TRADERS (1)	
MINES (1)	

---

## RISES AND FALLS YESTERDAY

	Up	Down
British Funds	1	77
Corps. Bond		
Foreign Bonds	6	8
Industrials	66	618
Financial	10	145
Oils	12	17
Plantations	2	2
Miners	34	6
Others	17	34
Totals	312	705

**These Indices are the joint compilation of the Financial Times, the Institute of Actuaries  
and the Faculty of Actuaries**

Mining Finance	.....	+12.67	Food Retailing	.....	+11.25
Insurance Brokers	.....	+11.25	Tobacco	.....	+11.16
Financial Group	.....	+3.21	Food Manufacturing	.....	+11.16
Stores	.....	+8.23	Wines and Spirits	.....	+3.21
Stores	.....	+8.23	Textiles	.....	+8.23
Oil	.....	+8.23	Office Equipment	.....	+8.23
Electricity	.....	+8.23	Motors and Distributors	.....	+8.23
Entertainment and Catering	.....	+7.69	Banks	.....	+7.69
Newspapers and Publishing	.....	+7.54	Engineering Contractors	.....	+7.54
Insurance and Paper	.....	+7.54	Food Manufacturing	.....	+7.54
Consumer Goods (Durable) Group	.....	+6.91	Household goods	.....	+6.91
Consumer Goods (Non-Durable) Group	.....	+6.91	Toys and Games	.....	+6.91

Percentage changes since December 31, 1979 based on Tuesday, May 27.

# UNIT TRUST SERVICE

## OVERSEAS & OVERSEAS contd.

<b>King &amp; Shotton Mgmt.</b>			<b>Providence Capital Life Ass. (C.I.)</b>			<b>Shoghead Management Limited</b>		
1. Channing Court, St. Helier, Jersey	(0252) 27471		P.O. Box 121, St. Peter, Guernsey	0027 2672/9		P.O. Box 315, St. Helier, Jersey	(0252) 27471	
2. 11, The Quadrant, St. Helier, Jersey	(0252) 27471		Swirling Road, Jersey	47.4	50.0	+0.7	Community Trust	(0437) 333.59
3. 11, The Quadrant, St. Helier, Jersey	(0252) 27471		Swirling Road, Jersey	47.4	50.0	+0.7		
4. 11, The Quadrant, St. Helier, Jersey	(0252) 27471		Swirling Road, Jersey	47.4	50.0	+0.7		
5. 11, The Quadrant, St. Helier, Jersey	(0252) 27471		Swirling Road, Jersey	47.4	50.0	+0.7		
6. 11, The Quadrant, St. Helier, Jersey	(0252) 27471		Swirling Road, Jersey	47.4	50.0	+0.7		
7. 11, The Quadrant, St. Helier, Jersey	(0252) 27471		Swirling Road, Jersey	47.4	50.0	+0.7		
8. 11, The Quadrant, St. Helier, Jersey	(0252) 27471		Swirling Road, Jersey	47.4	50.0	+0.7		
9. 11, The Quadrant, St. Helier, Jersey	(0252) 27471		Swirling Road, Jersey	47.4	50.0	+0.7		
10. 11, The Quadrant, St. Helier, Jersey	(0252) 27471		Swirling Road, Jersey	47.4	50.0	+0.7		
11. 11, The Quadrant, St. Helier, Jersey	(0252) 27471		Swirling Road, Jersey	47.4	50.0	+0.7		
12. 11, The Quadrant, St. Helier, Jersey	(0252) 27471		Swirling Road, Jersey	47.4	50.0	+0.7		
13. 11, The Quadrant, St. Helier, Jersey	(0252) 27471		Swirling Road, Jersey	47.4	50.0	+0.7		
14. 11, The Quadrant, St. Helier, Jersey	(0252) 27471		Swirling Road, Jersey	47.4	50.0	+0.7		
15. 11, The Quadrant, St. Helier, Jersey	(0252) 27471		Swirling Road, Jersey	47.4	50.0	+0.7		
16. 11, The Quadrant, St. Helier, Jersey	(0252) 27471		Swirling Road, Jersey	47.4	50.0	+0.7		
17. 11, The Quadrant, St. Helier, Jersey	(0252) 27471		Swirling Road, Jersey	47.4	50.0	+0.7		
18. 11, The Quadrant, St. Helier, Jersey	(0252) 27471		Swirling Road, Jersey	47.4	50.0	+0.7		
19. 11, The Quadrant, St. Helier, Jersey	(0252) 27471		Swirling Road, Jersey	47.4	50.0	+0.7		
20. 11, The Quadrant, St. Helier, Jersey	(0252) 27471		Swirling Road, Jersey	47.4	50.0	+0.7		
21. 11, The Quadrant, St. Helier, Jersey	(0252) 27471		Swirling Road, Jersey	47.4	50.0	+0.7		
22. 11, The Quadrant, St. Helier, Jersey	(0252) 27471		Swirling Road, Jersey	47.4	50.0	+0.7		
23. 11, The Quadrant, St. Helier, Jersey	(0252) 27471		Swirling Road, Jersey	47.4	50.0	+0.7		
24. 11, The Quadrant, St. Helier, Jersey	(0252) 27471		Swirling Road, Jersey	47.4	50.0	+0.7		
25. 11, The Quadrant, St. Helier, Jersey	(0252) 27471		Swirling Road, Jersey	47.4	50.0	+0.7		
26. 11, The Quadrant, St. Helier, Jersey	(0252) 27471		Swirling Road, Jersey	47.4	50.0	+0.7		
27. 11, The Quadrant, St. Helier, Jersey	(0252) 27471		Swirling Road, Jersey	47.4	50.0	+0.7		
28. 11, The Quadrant, St. Helier, Jersey	(0252) 27471		Swirling Road, Jersey	47.4	50.0	+0.7		
29. 11, The Quadrant, St. Helier, Jersey	(0252) 27471		Swirling Road, Jersey	47.4	50.0	+0.7		
30. 11, The Quadrant, St. Helier, Jersey	(0252) 27471		Swirling Road, Jersey	47.4	50.0	+0.7		
31. 11, The Quadrant, St. Helier, Jersey	(0252) 27471		Swirling Road, Jersey	47.4	50.0	+0.7		
32. 11, The Quadrant, St. Helier, Jersey	(0252) 27471		Swirling Road, Jersey	47.4	50.0	+0.7		
33. 11, The Quadrant, St. Helier, Jersey	(0252) 27471		Swirling Road, Jersey	47.4	50.0	+0.7		
34. 11, The Quadrant, St. Helier, Jersey	(0252) 27471		Swirling Road, Jersey	47.4	50.0	+0.7		

**FIXED INTEREST  
YIELDS**  
British Sav. Ass. Current Bond

[illegible][illegible]

† Redemption yield. High and low record base dates and values and consequent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London EC4A 3DF. CRAP ARV, price 150, by post 25p. © Corrected indices for Tuesday, May 27.











INDUSTRIALS—Continued

Stock	Price	Div	Yield	PE
British Petroleum	245.00	1.50	2.44	15.5
Shell	210.00	1.20	2.38	15.5
Esso	205.00	1.10	2.39	15.5
British Airways	180.00	1.00	2.22	15.5
British Telecom	175.00	0.90	2.17	15.5
British Overseas Airways	165.00	0.80	2.12	15.5
British Airways	155.00	0.70	2.06	15.5
British Airways	145.00	0.60	2.00	15.5
British Airways	135.00	0.50	1.94	15.5
British Airways	125.00	0.40	1.88	15.5

INSURANCE—Continued

Stock	Price	Div	Yield	PE
Prudential	220.00	1.00	2.27	15.5
Prudential	210.00	0.90	2.22	15.5
Prudential	200.00	0.80	2.17	15.5
Prudential	190.00	0.70	2.12	15.5
Prudential	180.00	0.60	2.06	15.5
Prudential	170.00	0.50	2.00	15.5
Prudential	160.00	0.40	1.94	15.5
Prudential	150.00	0.30	1.88	15.5
Prudential	140.00	0.20	1.82	15.5
Prudential	130.00	0.10	1.76	15.5

PROPERTY—Continued

Stock	Price	Div	Yield	PE
British Land	200.00	1.00	2.00	15.5
British Land	190.00	0.90	1.95	15.5
British Land	180.00	0.80	1.90	15.5
British Land	170.00	0.70	1.85	15.5
British Land	160.00	0.60	1.80	15.5
British Land	150.00	0.50	1.75	15.5
British Land	140.00	0.40	1.70	15.5
British Land	130.00	0.30	1.65	15.5
British Land	120.00	0.20	1.60	15.5
British Land	110.00	0.10	1.55	15.5

INVESTMENT TRUSTS—Cont.

Stock	Price	Div	Yield	PE
British Investment Trust	200.00	1.00	2.00	15.5
British Investment Trust	190.00	0.90	1.95	15.5
British Investment Trust	180.00	0.80	1.90	15.5
British Investment Trust	170.00	0.70	1.85	15.5
British Investment Trust	160.00	0.60	1.80	15.5
British Investment Trust	150.00	0.50	1.75	15.5
British Investment Trust	140.00	0.40	1.70	15.5
British Investment Trust	130.00	0.30	1.65	15.5
British Investment Trust	120.00	0.20	1.60	15.5
British Investment Trust	110.00	0.10	1.55	15.5

FINANCE, LAND—Continued

Stock	Price	Div	Yield	PE
British Finance	200.00	1.00	2.00	15.5
British Finance	190.00	0.90	1.95	15.5
British Finance	180.00	0.80	1.90	15.5
British Finance	170.00	0.70	1.85	15.5
British Finance	160.00	0.60	1.80	15.5
British Finance	150.00	0.50	1.75	15.5
British Finance	140.00	0.40	1.70	15.5
British Finance	130.00	0.30	1.65	15.5
British Finance	120.00	0.20	1.60	15.5
British Finance	110.00	0.10	1.55	15.5

**OKASAN SECURITIES CO. LTD.**  
London Branch: Buckingham House, 62-63  
Canal Street, London EC4A 3DF  
Tel: 01-548 5044

MINES—Continued

Stock	Price	Div	Yield	PE
Anglo American	200.00	1.00	2.00	15.5
Anglo American	190.00	0.90	1.95	15.5
Anglo American	180.00	0.80	1.90	15.5
Anglo American	170.00	0.70	1.85	15.5
Anglo American	160.00	0.60	1.80	15.5
Anglo American	150.00	0.50	1.75	15.5
Anglo American	140.00	0.40	1.70	15.5
Anglo American	130.00	0.30	1.65	15.5
Anglo American	120.00	0.20	1.60	15.5
Anglo American	110.00	0.10	1.55	15.5

OVERSEAS TRADERS

Stock	Price	Div	Yield	PE
Anglo American	200.00	1.00	2.00	15.5
Anglo American	190.00	0.90	1.95	15.5
Anglo American	180.00	0.80	1.90	15.5
Anglo American	170.00	0.70	1.85	15.5
Anglo American	160.00	0.60	1.80	15.5

TEAS

Stock	Price	Div	Yield	PE
Anglo American	200.00	1.00	2.00	15.5
Anglo American	190.00	0.90	1.95	15.5
Anglo American	180.00	0.80	1.90	15.5
Anglo American	170.00	0.70	1.85	15.5
Anglo American	160.00	0.60	1.80	15.5

MINES

Stock	Price	Div	Yield	PE
Anglo American	200.00	1.00	2.00	15.5
Anglo American	190.00	0.90	1.95	15.5
Anglo American	180.00	0.80	1.90	15.5
Anglo American	170.00	0.70	1.85	15.5
Anglo American	160.00	0.60	1.80	15.5

Far West Rand

Stock	Price	Div	Yield	PE
Anglo American	200.00	1.00	2.00	15.5
Anglo American	190.00	0.90	1.95	15.5
Anglo American	180.00	0.80	1.90	15.5
Anglo American	170.00	0.70	1.85	15.5
Anglo American	160.00	0.60	1.80	15.5

O.F.S.

Stock	Price	Div	Yield	PE
Anglo American	200.00	1.00	2.00	15.5
Anglo American	190.00	0.90	1.95	15.5
Anglo American	180.00	0.80	1.90	15.5
Anglo American	170.00	0.70	1.85	15.5
Anglo American	160.00	0.60	1.80	15.5

Finance

Stock	Price	Div	Yield	PE
Anglo American	200.00	1.00	2.00	15.5
Anglo American	190.00	0.90	1.95	15.5
Anglo American	180.00	0.80	1.90	15.5
Anglo American	170.00	0.70	1.85	15.5
Anglo American	160.00	0.60	1.80	15.5

Diamond and Platinum

Stock	Price	Div	Yield	PE
Anglo American	200.00	1.00	2.00	15.5
Anglo American	190.00	0.90	1.95	15.5
Anglo American	180.00	0.80	1.90	15.5
Anglo American	170.00	0.70	1.85	15.5
Anglo American	160.00	0.60	1.80	15.5

Central African

Stock	Price	Div	Yield	PE
Anglo American	200.00	1.00	2.00	15.5
Anglo American	190.00	0.90	1.95	15.5
Anglo American	180.00	0.80	1.90	15.5
Anglo American	170.00	0.70	1.85	15.5
Anglo American	160.00	0.60	1.80	15.5

Options

Stock	Price	Div	Yield	PE
Anglo American	200.00	1.00	2.00	15.5
Anglo American	190.00	0.90	1.95	15.5
Anglo American	180.00	0.80	1.90	15.5
Anglo American	170.00	0.70	1.85	15.5
Anglo American	160.00	0.60	1.80	15.5

Regional Markets

Stock	Price	Div	Yield	PE
Anglo American	200.00	1.00	2.00	15.5
Anglo American	190.00	0.90	1.95	15.5
Anglo American	180.00	0.80	1.90	15.5
Anglo American	170.00	0.70	1.85	15.5
Anglo American	160.00	0.60	1.80	15.5

Options

Stock	Price	Div	Yield	PE
Anglo American	200.00	1.00	2.00	15.5
Anglo American	190.00	0.90	1.95	15.5
Anglo American	180.00	0.80	1.90	15.5
Anglo American	170.00	0.70	1.85	15.5
Anglo American	160.00	0.60	1.80	15.5

Options

Stock	Price	Div	Yield	PE
Anglo American	200.00	1.00	2.00	15.5
Anglo American	190.00	0.90	1.95	15.5
Anglo American	180.00	0.80	1.90	15.5
Anglo American	170.00	0.70	1.85	15.5
Anglo American	160.00	0.60	1.80	15.5

MOTORS, AIRCRAFT TRADES

Stock	Price	Div	Yield	PE
British Aerospace	200.00	1.00	2.00	15.5
British Aerospace	190.00	0.90	1.95	15.5
British Aerospace	180.00	0.80	1.90	15.5
British Aerospace	170.00	0.70	1.85	15.5
British Aerospace	160.00	0.60	1.80	15.5

SHIPPING

Stock	Price	Div	Yield	PE
British Shipping	200.00	1.00	2.00	15.5
British Shipping	190.00	0.90	1.95	15.5
British Shipping	180.00	0.80	1.90	15.5
British Shipping	170.00	0.70	1.85	15.5
British Shipping	160.00	0.60	1.80	15.5

SOUTH AFRICANS

Stock	Price	Div	Yield	PE
Anglo American	200.00	1.00	2.00	15.5
Anglo American	190.00	0.90	1.95	15.5
Anglo American	180.00	0.80	1.90	15.5
Anglo American	170.00	0.70	1.85	15.5
Anglo American	160.00	0.60	1.80	15.5

TEXTILES

Stock	Price	Div	Yield	PE
British Textiles	200.00	1.00	2.00	15.5
British Textiles	190.00	0.90	1.95	15.5
British Textiles	180.00	0.80	1.90	15.5
British Textiles	170.00	0.70	1.85	15.5
British Textiles	160.00	0.60	1.80	15.5

NEWSPAPERS, PUBLISHERS

Stock	Price	Div	Yield	PE
British Newspapers	200.00	1.00	2.00	15.5
British Newspapers	190.00	0.90	1.95	15.5
British Newspapers	180.00	0.80	1.90	15.5
British Newspapers	170.00	0.70	1.85	15.5
British Newspapers	160.00	0.60	1.80	15.5

PAPER, PRINTING

Stock	Price	Div	Yield	PE
British Paper	200.00	1.00	2.00	15.5
British Paper	190.00	0.90	1.95	15.5
British Paper	180.00	0.80	1.90	15.5
British Paper	170.00	0.70	1.85	15.5
British Paper	160.00	0.60	1.80	15.5

TOBACCO

Stock	Price	Div	Yield	PE
British Tobacco	200.00	1.00	2.00	15.5
British Tobacco	190.00	0.90	1.95	15.5
British Tobacco	180.00	0.80	1.90	15.5
British Tobacco	170.00	0.70	1.85	15.5
British Tobacco	160.00	0.60	1.80	15.5

TRUSTS, FINANCE, LAND

Stock	Price	Div	Yield	PE
British Trusts	200.00	1.00	2.00	15.5
British Trusts	190.00	0.90	1.95	15.5
British Trusts	180.00	0.80	1.90	15.5
British Trusts	170.00	0.70	1.85	15.5
British Trusts	160.00	0.60	1.80	15.5

PROPERTY

Stock	Price	Div	Yield	PE
British Property	200.00	1.00	2.00	15.5
British Property	190.00	0.90	1.95	15.5
British Property	180.00	0.80	1.90	15.5
British Property	170.00	0.70	1.85	15.5
British Property	160.00	0.60	1.80	15.5

Investment Trusts

Stock	Price	Div	Yield	PE
British Investment	200.00	1.00	2.00	15.5
British Investment	190.00	0.90	1.95	15.5
British Investment	180.00	0.80	1.90	15.5
British Investment	170.00	0.70	1.85	15.5
British Investment	160.00	0.60	1.80	15.5

INSURANCE

Stock	Price	Div	Yield	PE
British Insurance	200.00	1.00	2.00	15.5
British Insurance	190.00	0.90	1.95	15.5
British Insurance	180.00	0.80	1.90	15.5
British Insurance	170.00	0.70	1.85	15.5
British Insurance	160.00	0.60	1.80	15.5



